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DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1982

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

FIRST SESSION

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DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1982

THURSDAY, MAY 7, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room 1114, Everett McKinley Dirksen Senate Office Building, Hon. Alfonse M. D'Amato (chairman) presiding.

Present: Senator D'Amato.

DISTRICT OF COLUMBIA

COURTS AND COURT SYSTEM

STATEMENTS OF:

- **CHIEF JUDGE THEODORE R. NEWMAN, JR., CHIEF JUDGE, DISTRICT OF COLUMBIA COURT OF APPEALS**
- **CHIEF JUDGE H. CARL MOULTRIE, I, CHIEF JUDGE, SUPERIOR COURT OF THE DISTRICT OF COLUMBIA**
- **LARRY P. POLANSKY, EXECUTIVE OFFICER, DISTRICT OF COLUMBIA COURT SYSTEMS**

ACCOMPANIED BY:

- **ALFRED E. BERLING, FISCAL OFFICER, SUPERIOR COURT OF THE DISTRICT OF COLUMBIA**
- **THOMAS A. DUCKENFIELD, CLERK, SUPERIOR COURT OF THE DISTRICT OF COLUMBIA**
- **JAMES F. LYNCH, ACTING CLERK, DISTRICT OF COLUMBIA COURT OF APPEALS**
- **CLAIRE M. WHITAKER, FIRST DEPUTY CLERK, DISTRICT OF COLUMBIA COURT OF APPEALS**

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. The subcommittee will come to order.

Today the Subcommittee on the District of Columbia begins its hearings on the budget of the government of the District of Columbia totaling nearly $2 billion. It is a pleasure for me to be chairman with members of the subcommittee, Senator Weicker, Senator Specter, Senator Leahy as the distinguished ranking minority member, and Senator Bumpers.

The District of Columbia holds a unique place in our Nation and in the local Federal Establishment. Most of us first learned of Washington, D.C., as the Nation's Capital comprising monuments and the seat of Government as well as the home of many foreign embassies. It is also a city of nearly 1 million residents and functions as a municipality, something with which I am familiar.

The city must deal with many of the same problems which plague New York City, Philadelphia, and the older large urban centers of America.

It also performs many functions that are normally county or State responsibilities. This is both a burden and an opportunity. It places additional demands on the budget, but it also gives a unique chance to coordinate all governmental functions into a single policy.

It is with this latter goal that this committee wants to be helpful. I look forward to a cooperative and enlightening relationship.

Our first witnesses this morning are representatives of the District of Columbia Court System. We welcome Chief Judge Theodore Newman of the Court of Appeals, Chief Judge Carl Moultrie of the Superior Court, and Mr. Larry Polansky, executive officer of the courts. We are pleased to have you here with us gentlemen and Judge Newman, if you would like to proceed with your statement, we would be delighted to hear it.

COURT SYSTEM AND STRUCTURE

Judge **NEWMAN**. Thank you, Mr. Chairman. We appreciate the opportunity to appear before you this morning on behalf of the District of Columbia courts.

I will speak particularly of the District of Columbia Court of Appeals. In recognition, Mr. Chairman, of your new role as the chairman of this committee and of the fact that there are new members of the committee as well, and after some discussion with Mr. Leeth, we have concluded that it might be more fruitful for us to submit our prepared budget testimony for the record and use our time to provide the committee with basic background on what is perhaps the most unusual court system and, we are told, the most highly unified court system in the Nation.

Our current court structure represents the product of a most intensive court reorganization study which resulted in the public law which embodies the recommendations of the nationally recognized court experts who performed the study.

DISTRICT OF COLUMBIA COURT REFORM AND CRIMINAL PROCEDURE ACT OF 1970

An extraordinary piece of legislation entitled, "The District of Columbia Court Reform and Criminal Procedure Act of 1970," created a court system which has full jurisdiction over all local civil and criminal matters regardless of the complexity or amount and is perhaps the only totally unified court system in the United States.

As a result of the congressional passage of the act, the District of Columbia has included in a single 44-judge trial court and a 9-member appellate court the total legal authority of this jurisdiction.

This act, over a period of a few short years merged the District's General Sessions Court, Juvenile Court, Tax Court, and all civil and criminal matters arising in the District which formerly had been heard in the U.S. District Court into a single unified structure.

As a result, every court action from a small claims case to a felony murder, from a landlord and tenant action to a constitutional appeal from the imposition of a local tax is heard in one single courthouse.

The judges of both our courts serve in every division of their respective court and, occasionally, at both levels of the court as well. They have an initial term of 15 years and can seek reappointment.

Judicial candidates are nominated by the President for confirmation by the Senate from a list of eligibles forwarded by a statutorily authorized and created nominating commission.

At the end of the judge's term the judge is evaluated by a statutory commission on judicial disability and tenure. If the commission finds a judge unqualified, the judge cannot be reappointed. When a judge is found by the commission to be either "exceptionally well qualified" or "well qualified," reappointment is automatic.

Thanks to the support we have obtained in the past from this committee and the counterpart committee in the House, the District of Columbia Courts operate in a new and functional building open to our citizens since mid-1978.

It has made the operation of the court systems much more efficient. However, it does not provide us with all of the space we need but now is not the time or place to go into the details of that. The courts' budget amounts to approximately $30 million of the budget of the District of Columbia which, as you know, is in excess of $1.5 billion. Our portion of the budget is less than 2 percent thereof.

Although our legislation appears to recognize the independent status of the three branches of the government, the budget process has addressed the courts as a small piece of the public safety segment of the District's request.

CITY'S VERSUS COURT'S BUDGET SUBMISSIONS

I am sure you have noticed that the courts' budget requests are submitted in total in the formal document provided to you by the Mayor and Council but you will also notice that the Mayor and Council have included a lesser figure, as they usually do, which they recommend and incorporate into their balanced budget.

Specific legislation, however, has provided the Congress with authority to approve for the courts amounts in excess of the balanced amount and we have included in our formal submission a copy of the applicable statutory material.

The courts of the District of Columbia have been studied by numerous national experts who have provided recommendations which we have and will continue to seek to implement. More importantly, however, they have, without fail, identified the District of Columbia courts as being among the best in the Nation.

Chief Judge Moultrie, Mr. Polansky, and I are not satisfied with being just among the best and shall continue to strive to make the courts of the Nation's Capital the model for the rest of the country that they should be.

This will, however, require the help of many others with perhaps the most important contribution coming from this committee and its chairman.

PREPARED STATEMENT

Thank you, Mr. Chairman. We have submitted our formal budget testimony. I am available for questions.

Senator D'AMATO. Your prepared statement will be placed in the record at this point.

[The statement follows:]

Statement of Theodore R. Newman, Jr.

Thank you for the opportunity to appear before you on behalf of the District of Columbia Court of Appeals. The Court's Fiscal Year 1982 budget request totals $2,473,200 and represents an increase of $158,300 and two positions over the Fiscal Year 1981 budget. The City has recommended an increase of $129,800. The difference of $28,500 represents funds requested for within-grade advancements and terminal leave.

Over 60% of the requested increases or $95,100 represents needs in the personnel services area. The remaining $63,200 represents needs in supplies, telephone services, travel and conference fees, maintenance and rental of office machines, and contractual services.

With respect to the personnel services needs, the Court is requesting $13,100 for terminal leave, $15,400 for within-grade advancements, and $66,600 for two new positions which includes $64,600 in compensation and $2,000 in equipment.

The new positions include a GS-13 Systems Analyst and a GS-13 Supervisor of Legal Research. The Systems Analyst would provide in-house support for the recently installed automated data processing system in the Clerk's Office. He/she will have primary responsibility for developing and maintaining the programs utilized by the Court and will train Court personnel in the operation of both the software and hardware associated with the system. In addition to these duties, the analyst will provide necessary technical support during the first phases of implementation of the Court's forthcoming Word Processing System which has been supported in 1981 by a federal grant from the Law Enforcement Assistance Administration. The Supervisor of Research will oversee the workload of the central research staff consisting of three law clerks to the Court and two retired judge's law clerks. This position is key to the improvement of the legal research capability of the Court. It is expected that he/she would play a major role in the screening process, calendar management, motions considerations and pre-argument settlement procedures. We believe the two positions are critical to the efficient administration of the Court. The City agrees with us and has joined in supporting our request for these positions.

As I mentioned, other personnel needs in Fiscal Year 1982 are $13,100 for terminal leave and $15,400 for within-grade advancements.

A terminal leave budget continues to be a priority need of the Court. Each year, payments are made to those employees who terminate their employment with unused annual leave on record. The amounts needed have fluctuated between $11,000 and $17,500. The records reflect that at the close of Fiscal Year 1980, a total of $17,200 was expended for terminal leave. There is no appropriated budget for this category of expenditures. Accordingly, our request for $13,100 is justified.

For similar reasons, the Court's Fiscal Year 1982 within-grade advancement request of $15,400 should be funded. Under our personnel policies, and consistent with federal personnel policies, all Court employees receiving a satisfactory rating are entitled to within-grade advancement. The personnel compensation portion of the Court's budget, however, is insufficient to pay these advancements without incurring deficiency spending or position vacancies.

In the area of other than personnel services, the following increases have been requested:

$ 4,000	Supplies and Materials
3,000	Telephone Services
3,000	Travel and Conference Fees
21,400	Maintenance of Office Machines
28,800	Bar Compensation and Expenses
3,000	Rental of Office Machines

The increases in supplies, telephone, travel and rental of office machines totalling $13,000 are needed to meet present costs due to inflation and increased workload. The increases for maintenance of office machines ($21,400) and Bar Compensation and Expenses ($28,800) need further elaboration.

The request for maintenance of office machines will support service agreements for three new items of hardware, i.e., the minicomputer associated with the automated data processing system which was heretofore in the installation phase of the project, the several work stations associated with the word processing system scheduled for installation in July of 1981, and a microfilm reader/printer purchased in Fiscal Year 1980 and used extensively by the public. Maintenance contracts on these items are essential to insure proper functioning. The Fiscal Year 1982 budget has presented the Court with its first opportunity to request a maintenance appropriation for these items.

With respect to the Bar Compensation and Expenses, the number of applicants to take and taking the D. C. Bar Examination has tripled in the past five years, i.e., from 1,094 in calendar year 1976 to 3,063 in calendar year 1980. The time for grading has necessarily become progressively longer for the Bar Examiners, a committee of six attorneys. For this reason, the Bar Examiners asked the Court in June of last year, if the limit on an examiner's compensation of $4,800 ($20/hour for a maximum of 240 hours) might be lifted, and if graders would be permitted. On June 19, 1980, the Board of Judges formally approved the use of graders and raised the ceiling for compensation to $9,600 ($20/hour for a maximum of 480 hours) per examiner. Therefore, $28,800 is requested to fund the additional compensation.

The Court requests that the Committee give its Fiscal Year 1982 request favorable consideration.

STATEMENT OF JUDGE MOULTRIE

Senator D'Amato. Thank you, Judge. At this time, we will proceed to your colleague, Judge Moultrie, for any statement that he might make.

Judge Moultrie. Mr. Chairman, I, too, am very pleased to be present to present to you on behalf of the Superior Court our budget. I have submitted for your information a detailed statement but would like to take the opportunity to summarize our requests and answer any questions that may be forthcoming.

Senator D'Amato. The entire prepared statement will be inserted in the record at this point.

[The statement follows:]

STATEMENT OF H. CARL MOULTRIE

Mr. Chairman, it is a privilege to speak today to this Committee on the budget of the Superior Court of the District of Columbia for fiscal year 1982.

The Superior Court is requesting a total operating budget of $27,671,600, which is an increase of $2,158,000 over the fiscal year 1981 budget as follows.

IMPLEMENTATION OF THE PROBATE ACT OF 1980

The Superior Court is requesting six new positions costing $98,400 for its Probate Division in order to implement the new District of Columbia Probate Law (Act 3-181, passed on May 7, 1980). I call your attention to the fact that the City Council indicated that there would be no negative fiscal impact upon the City due to implementing the Law. Increased revenues would be generated and would likely more than off-set the increased costs.

OTHER MANPOWER DEFICIENCIES

The Superior Court finds itself lacking in manpower in other critical areas as well. Due to a woeful lack of funding brought about by past budget base reductions, inadequate pay raise funding, abolishment of positions, etc., the Court must now request the following positions and funding in order to meet its statutory requirements:

Probations Officer, Social Services Division - $22,700

The District of Columbia recently signed and became a party to the Interstate Compact Agreement for Adult Probationers. It is reasonable to expect that the supervision requirements of the additional caseload generated by the Compact will require at least one additional Probation Officer position.

Law Clerk to Retired Judges - $20,700

By law, the Chief Judge of the Superior Court may request that retired judges of the Court return to active service. We are indeed fortunate at this time to have seven retired judges so serving and averaging six to ten months a year of assistance to the Court and its gigantic judicial workload. These faithful retired judges, however, have no law clerk support at present. In order to maximize their bench time and professional services, it is essential that these judges have at least one law clerk to support their important and necessary efforts on behalf of the Superior Court and the District of Columbia.

Deputy Director of Personnel - $32,300

Public Law 91-358 (Court Reform Act) and D.C. Law 2-139 (Comprehensive Merit Personnel Act) gave the District of Columbia courts the authority and responsibility for establishing and implementing a personnel system independent of the Federal civil service system and the District of Columbia government. Whereas, the Joint Committee on Judicial Administration has timely developed independent policies and procedures, implementation has been slowed because of the limited size and expertise of the existing personnel staff. A Deputy Director of Personnel at the CS-13 level is needed to assist in designing, monitoring and evaluating the Court's personnel program, handling employee/employer relations, counseling, serving as Equal Employement Officer and directing the implementation of a comprehensive training program for Court employees.

Personnel Management Specialist - $15.300

As previously mentioned, the Court has developed a comprehensive set of personnel policies and procedures which require additional assistance to implement. A CS-7 Personnel Management Specialist is needed to interview, test, screen, and evaluate prospective employees so that other staff may devote more time to the implementation of job evaluations, position specifications and reviews, etc., as prescribed by the Court's personnel policies.

GRANT PROGRAM ASSUMPTION

At present the Superior Court is receiving grant funds from LEAA for the screening and diversion of alleged juvenile delinquents. These grant funds will not be available in fiscal year 1982. The pilot project, administered and monitored by the Superior Court, has demonstrated the need to continue its operations. The Court, therefore, is requesting a part-time (75%) CS-8 Research Assistant at a cost of $12,700 and $200,700 for contractual services (a total cost of $213,400) to continue the program.

In addition, ACTION had funded a program for selected adult probationers that allows the participants to perform a specific number of hours of community service as restitution in lieu of regular supervised probation.

This grant expired Spetember 1980. The Court has received additional funding through LEAA, which will carry the program through fiscal year 1981. This program offers a vital and progressive alternative to the Court, which should be continued. Three (3) CS-9 Community Worker positions at a cost of $56,200 will be required to continue this highly successful program.

The following additional staff positions and equipment are requested for the Court to meet its overall statutory responsibilities:

Law Clerk - Tax Division, $20,700

Tax cases are handled as a "supplemental" assignment by a judge whose primary responsibilities are either in civil or criminal matters. The law clerk of the judge assigned to the Tax Division handles legal research and related duties in the area of the judge's primary judicial assignment. This has required the judge to carry the responsibility for legal research in tax matters, which is not efficient use of a judge's time. The dramatic increase in the number of tax case filings in recent years demands a full-time law clerk to perform the complex legal research involved.

Microfilm Capability, Various Divisions (2 positions), $27,600; Equipment - $50,000

The Superior Court at present has neither the on-site storage capability nor an easy retrieval system for the many years of records which must be retained. Microfilm would provide an effective and desirable means of resolving these problems, in that it would eliminate record storage problems and allow for faster record retrieval. The Court is requesting $50,000 to purchase the necessary microfilm equipment and $27,600 to fund two (2) CS-6 Micro-Process Clerks to perform the duties associated with the microfilming capability.

Data Base Administrator, $38,200; Hardware and Software, $90,000

The Superior Court is continuing to upgrade and update its data processing capability from a system designed for the 1960's to one which will support a high volume, active and progressive court system of the 1980's. A principal step to accomplish this will be to implement a data base management system. To insure the success of this system, the Court is requesting a CS-14 Data Base Administrator (who will also serve as Deputy Director of the Data Processing Division), and $90,000 to purchase additional disk storage capability and specialized software packages to compliment the combined operating system and data base management system capabilities of the installed computer system.

File Clerk, Civil Actions Branch, Civil Division, $11,000

The tremendous increase in the number of new cases being filed and the request of the public for court files has overwhelmed the existing file room staff. Since the Court has not been able to pay overtime for the purpose of eliminating the resulting backlog, other employees have been detailed to assist with filing. This has resulted in backlogs occurring in these employees' primary areas of concern and many misfilings due to the inexperience of the detailed help. The Court is requesting a CS-4 File Clerk to help alleviate this problem.

Docket Clerks (2), Landlord and Tenant Branch, Civil Division, $27,600

Two (2) additional CS-6 Docket Clerks are needed in the Landlord and Tenant Branch to keep pace with the more than 100,000 case filings each year.

Clerk-Typist, Motions Branch, Civil Division, $13,800

The volume of civil motions and oppositions has increased dramatically over the past few years. This has resulted in a backlog, because of insufficient clerical staff to prepare the cases for court. A CS-6 Clerk-Typist would help tremendously to eliminate the existing delays.

Data Entry/File Clerks (2), Family Division, $24,700

A CS-5 Data Entry/File Clerk is being requested to operate the IBM Data Entry Recorder in the Domestic Relations Branch. This operation was designed and instituted to speed up and enhance the capture of information and statistical data. A second Clerk is being requested to relieve other personnel from the countless hours away from their assigned duties assisting attorneys, social workers, judges and others locating files in the file room.

Calendar Clerk, Family Assignment Branch, Family Division, $13,800

A CS-6 Calendar Clerk is being requested to provide the monitoring and control necessary to improve the time frames involved in the Contested Domestic Relations Calendar.

The following mandatory payroll increases are being requested:

Within-Grades, $210,300

Within-grade advancements are required by law to be given to eligible employees.

Reallocations, $349,300

In order to comply with Title 11, Section 1726 of the D.C. Code, a number of positions must be reclassified higher to make them comparable to "other employees in the . . . Federal and District of Columbia governments occupying the same or similar positions."

Overtime Pay, $75,000

Several statutes and Superior Court Rules require certain operations of the Court to be open to conduct business on weekday evenings and Saturdays, as a convenience to the Public. "FLEX" time cannot be used to cover these situations because of previous position reductions and vacancies created by already inadequate funding.

Terminal Leave, $83,900

All District of Columbia government employees who accrue annual leave are entitled to a lump-sum payment for such leave upon separation from government employment. The Superior Court has never received funding for this item. Since the Court can no longer absorb this cost, funding must be approved for fiscal year 1982.

BUDGET BASE DEFICIENCIES

The Superior Court is requesting $17,100 to cover the increased costs of supplies and materials and $13,600 to cover the increased costs of printing services caused by inflation. Similarly, it is estimated that telephone costs will rise another 5%, resulting in our need for $14,300.

Title 11, Section 1906 of the D.C. Code and Title 15, Section 714 (a) of the D.C. Code mandate that jurors and witnesses serving and appearing in the Superior Court be paid the same fees as paid by the United States District Court of the District of Columbia. In late 1978, Federal law increased (from $20 to $30) the daily rate of juror and witness fees. The Superior Court has not yet been adequately funded for these increases. The Superior Court, therefore, is requesting $186,800 for juror fees and $250,000 for witness fees to cover the fiscal year 1982 needs.

The Court requests $45,000 to cover the increased cost of rented space the Court occupies.

With the impending increase in the cost of first-class postage to be effective April 1, 1981, the Court requests an additional $26,700.

Finally, the Court is requesting $109,600 in the equipment category, which includes $16,200 for law book additions and supplements, $10,800 for rental of a replacement word processor for the Social Services Division, replacement costs of $60,000 for worn out equipment and furniture, and $22,600 to provide furniture and equipment for the new positions requested earlier.

In closing Mr. Chairman, I wish to thank you and other members of this Subcommittee for the kind consideration you have shown to me in the past two years and hope you will look favorably upon my request for this year.

STATEMENT OF JUDGE MOULTRIE

Judge MOULTRIE. The Superior Court is requesting a total operating budget of $27,671,000, a $2,158,000 increase over fiscal year 1981. This is, however, incidentally $936,000 more than recommended by the District of Columbia Mayor and the City Council. We are not too far off, but we are off.

Briefly, $435,700 is needed for 25 new positions, 10 of which are the result of new statutory requirements imposed upon the court in the past years; $718,500 is needed to fund additional personnel costs such as within grades, overtime, terminal leave, and reallocations.

In order to address the continuing cost increase—inflation—it is necessary to ask for $132,900 for telephone services, building leases, postage, law books, and supplies.

Most imperatively $436,800 is needed for witness and jury fees in order to meet the requirement to keep the court operating without incurring a deficit.

We need $233,400 to replace ancient equipment, to increase our computer capacity and last, but certainly not least, we need $200,700 to provide contractual services, for our probation service, particularly in funding drug alcohol treatment for selected alleged juvenile offenders.

As you know, we too have been the beneficiaries of LEAA, which is now leaving for unknown and known reasons.

Mr. Chairman, I am sure you are concerned with the difference in our budget and the Council recommendation. We asked for $27,671,000 and the city has recommended $26,735,000. The differences are, we asked for 25 additional employees, 10 of which are based upon statutory requirements. The city has recommended 12, which means there is a difference of 13 in our asking.

LAW CLERK FOR RETIRED JUDGES

In addition to that, we have asked for such things as file clerks, docket clerks, calendar clerks, and may I depart and say here that we were asking for a law clerk for retired judges. May I explain what retired judges do?

The city of Boston with the same population as the District of Columbia has 54 Superior Court Judges. In addition to that, it also has commissioners and hearing officers. We have 44 judges and only 3 commissioners. There is a big difference. Our retired judges serve after retirement at age 70. They do serve. In order to make them effective they also need staff support such as secretaries and law clerks. In the Federal system, when a judge reaches retirement service he maintains, as long as he serves, a secretary and two law clerks.

We have been asking for one law clerk for every three retired judges. For some reason, we cannot get that and, in addition, we only have two secretaries for six retired Judges.

You can imagine the difficulty if a judge is to serve and serve effectively. He must have help. Therefore we are asking that at least two law clerks and one secretary be included in our request.

WITNESS AND JURY FEES

I have asked Mr. Polansky to present to you very briefly, by graphic means, our request for jury and witness fees. As you know, in the city of Washington, we are guided and must be guided by the Federal Government statutes. It was not by our request that the Federal Government increased fees for jurors. However, we must abide by that.

Our fees have been increased because of what the Federal Government pays. We stipulate that we are perhaps among the highest paying cities in the country. Some pay $6, some pay $15, some pay $20. We pay $30. Only two or three jurisdictions pay more than the District of Columbia.

Mr. Polansky will briefly explain the graphs and submit his statement for the record.

CHARTS AND PREPARED STATEMENT

Senator D'AMATO. The charts and statement of Mr. Polansky will be inserted in the record at this point.

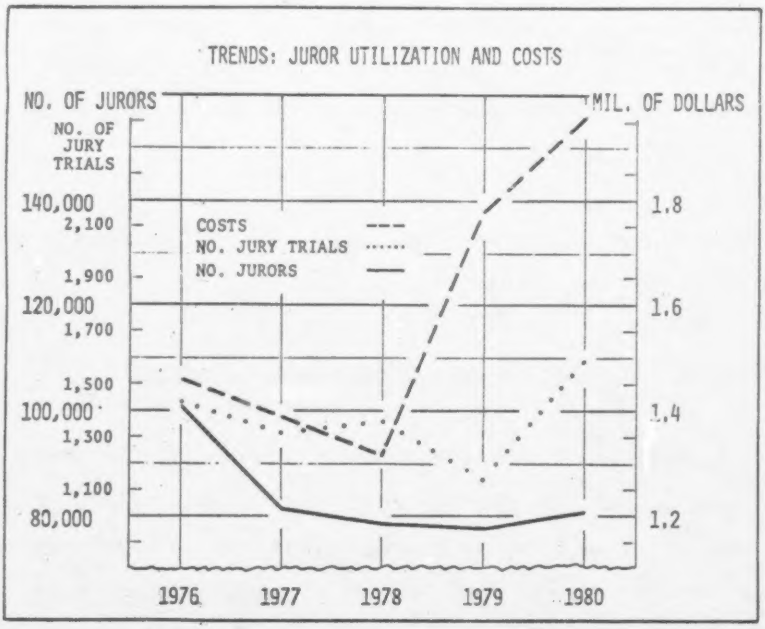
[The charts and statement follow:]

JURY TRIALS

	1976	1977	1978	1979	1980
FELONIES	795	593	658	528	508
MISDEMEANORS	372	433	451	377	857
OTHER CRIMINAL	36	52	70	44	54
CIVIL ACTIONS	230	241	188	193	173
TOTALS	1,433	1,319	1,367	1,142	1,592

PETIT JUROR UTILIZATION

	1976		1977		1978		1979		1980	
	TOTAL	MONTHLY AVG	TOTAL	MONTHLY AVG	TOTAL	MONTHLY AVG	TOTAL	MONTHLY AVG	TOTAL	MONTHLY AVG
AVERAGE NUMBER SERVING DAILY	---	405	---	406	---	318	---	318	---	319
NUMBER OF PANEL REQUESTS	1,625	135	1,493	124	1,555	130	1,262	105	1,911	159
JURY TRIAL DAYS	4,267	356	3,706	309	3,911	326	3,604	300	4,786	399
PERCENT SELECTED, SERVING OR CHALLENGED	---	85.9%	---	87.5%	---	89.3%	---	87.4%	---	96.3%
NUMBER OF TIMES JUDGES WAITED FOR PANELS	38	3	10	0.8	164	14	33	2.75	576	48


TRENDS: JUROR UTILIZATION AND COSTS

Statement of Larry P. Polansky

Mr. Chairman and members of the District of Columbia Subcommittee on Appropriations, it is a privilege to be here today to speak to you regarding the budget of the District of Columbia Court System.

The Court System is requesting a fiscal year 1982 operating budget of $5,910,900, a $902,900 increase over fiscal year 1981 ($471,500 more than the Mayor and City Council recommended) and a $2,239,900 request for capital improvements for the new Courthouse of which $1,137,100 has been recommended by the Mayor and the City Council.

As to the operating budget request, the majority of the increase is for additional funding of the Criminal Justice Act Program amounting to $759,600. Since 1974, when the District of Columbia Courts were assigned the responsibility for administering this Program, it has been underfunded. In fact, every Appropriation Act since 1975 has needed to authorize payment of prior year obligations out of current year authority, placing the Program on a pure "cash" basis. To compound the problem, budget base reductions amounting to $447,000 have been absorbed over fiscal years 1979, 1980 and 1981. This has resulted in an ever-increasing number of claims against future budget authority for legal and other services performed for indigent defendants. At the current rate of expenditure, there is insufficient funding available to meet payment requests in fiscal year 1981 and we estimate that sometime late in July funds will be exhausted. We have been forced to seek supplemental funds for fiscal year 1981 and pray you will act favorably on that request when it comes before you.

The remaining $143,300 of the requested increase is comprised of the following:

1. National Center for State Courts Membership, $21,200

The National Center for State Courts is an organization created by, controlled by, and exclusively serving the state courts. Initially funded through LEAA and private foundation grants, the Center is now to be funded by the state courts themselves through assessments based on state population size. The District of Columbia's assessment has been determined to be

$21,200. Membership in the Center provides many benefits and services to our Court System. Continued membership is strongly recommended.

2. Judicial Conference $10,000

As required by statute, the District of Columbia Courts annually sponsor a 1-1/2 day Judicial Conference which provides a forum for dissemination of information such as: the state of the Judiciary; continuing legal and judicial education programs; important legal issues, and; a review of planned and imminent Court activities. Whereas attendees of the Conference bear much of its cost, certain expenses such as speakers' fees, accommodations, etc., must be covered by the Court. This funding is no longer available. The positive effect on the community as well as the statutory requirement mandates that this Conference be continued.

3. Joint Committee Discretionary Fund, $2,500

The Joint Committee on Judicial Administration, the Chief Judges of the Court of Appeals and the Superior Court, and the Executive Officer are frequently faced with ceremonial and other official responsibilities for which no funding is provided in the Courts' appropriations. Authority and funding of this nature is now being provided to the Mayor, the City Council and the Board of Education. The need also exists in the Judicial Branch of the City government.

ADMINISTRATIVE NEEDS

The Court System is requesting $30,200 for mandatory within-grade funding and is also requesting the restoration of $77,200 to its budget base for personnel compensation.

Increases in Supplies and Materials funding of $1,000 and Printing and Reproduction funding of $1,200 are being requested to compensate for the inflation caused increased cost of these goods and services

In regard to the capital budget request of $2,239,900:

$487,500 is needed to relocate our Data Processing Center. At the present time, our computer is located across the street from the Courthouse. The heavy activity of the Courts' operating divisions have made it necessary to establish on-line computer systems. Because the link-up between the Courthouse terminal and the "off-site" computer must be accomplished by the use of costly and slow telephone lines, considerable delays are experienced by these divisions and, therefore, a relocation is essential.

$47,500 is needed for a handicapped citizens lift on the John Marshall level of the Courthouse.

$602,100 is needed to upgrade the air conditioning and heating system in the new Courthouse. Since moving into the new Courthouse, it has become apparent that certain areas were provided with insufficient temperature control systems. This is especially true in rooms occupied by grand juries and in numerous rooms in the east wing of the building where working conditions are grossly unpleasant during any extreme temperature condition.

$596,500 is needed for a video surveillance system. While security features were given high priority in the design and construction of the Courthouse, there are still many areas which are susceptible to breaches of security. The dangers are exacerbated by the wholesale reduction of building guards by the Department of General Services which, we are told, is necessitated by budget cuts they have suffered.

$506,300 is needed for a central audio recording and communications system. Presently only a few high volume statutory courtrooms have an 8-track recording system which is linked to the Courts' central audio recording and communications system. While the necessary conduit and backboxes were installed in all the courtrooms when the Courthouse was constructed, funding was not available to complete this worthwhile project.

In closing Mr. Chairman, I wish to thank you and other members of this Subcommittee for your interest, hope you will look favorably upon my request and now would be pleased to answer any questions you might have.

Thank you.

EXPLANATION OF CHARTS

Mr. POLANSKY. Very briefly, Senator.

The first chart is an indication of why dollars, extra dollars, are required in the jury and in the witness areas in the District of Columbia Courts. This chart is a listing of the jury trials that were undertaken in the District of Columbia for the years 1976 through 1980. The bottom line shows that in 1976 there were, about, 1,400 trials, 1,300 trials in 1977, 1,300 in 1978, 1,100 in 1979, but 1,592 or 1,600 jury trials last year in the District of Columbia. Basically, this is because the court began to address a delay problem in misdemeanor cases.

You will see that there is a huge jump in the number of jury trials in misdemeanor cases and, in fact, in the statistics of disposed misdemeanor cases—cases concluded and resulting in the reduction in the backlog.

Some people around the country have done a lot of work in jury management and attempted to reduce the costs of jury activity. We would like to show you that we have done our homework as well.

Back in 1976, and through 1977, the average number of jurors in the courthouse to handle the load were 405 and 406 respectively. We then went into the jury management program and brought it down to 318 and 319 on an average in 1979 and 1980. The court has maintained this level of jurors despite the high increase in the number of jury trials performed.

The conclusion, and bottom line is that, back in 1976 and 1977 there were obviously more than enough jurors in the courthouse.

An indicator of whether or not you have enough jurors is the number of times judges had to wait significant periods for a panel to be provided to the courtroom. In 1976, for the entire year, that insufficiency only occurred 38 times or about 3 times a month, which is probably average around the country.

In 1977, it only occurred 10 times during the entire year or eight-tenths of 1 time a month. In my opinion, we had too many jurors in the courthouse during that period of time.

In 1980, we were not able to provide a panel, when requested, 576 times or an average of 48 times a month or several times every day. The waiting times involved were counted in hours, rather than minutes.

Senator D'AMATO. Why was that?

REDUCTION IN JURY TRIALS

Mr. POLANSKY. We went from 1,200 or 1,300 jury trials to 1,600 jury trials last year, but used the same number of jurors as the previous 2 years because we had exceeded our budget for jury money the previous year, and were not anxious to go into deficit spending.

Senator D'AMATO. How does that save you money by having a delay of 48 times a month?

Mr. POLANSKY. In my opinion, Senator D'Amato, we don't save money. The costs, that is the societal costs, of doing that are very great. You are costing the witnesses money, you are costing the defendants and the plaintiffs money, you are wasting judge time and you are wasting jury time. In my opinion, in the overall, it does not save money. As to the flat dollar juror cost figure, however, we restricted ourselves to an average of 318 jurors in the courthouse.

ADDITIONAL FUNDING FOR WITNESS AND JURY FEES

So we stayed within the budget line for that particular part of the cost.

Senator D'AMATO. What is your prognosis if this is continued?

Mr. POLANSKY. Our prognosis is that in the current year our budget, again, does not have the dollars required for the full year to support the number of jurors necessary to maintain our projected trial activity. We will be short. We have a supplemental request before the Council right now, asking for $436,800 in combined juror and witness fees which would be needed to carry us through to the end of the year.

Senator D'AMATO. You demonstrate quite clearly that this is absolutely necessary just to keep the criminal justice system operating.

Mr. POLANSKY. I hope we have, Senator. We believe it to be so. We believe the charts show that we have done what we think can be done to attempt to minimize the costs but the end result is the blue line on the chart representing dollars. Dollars have gone up significantly, the reason being the rise in juror fees from $20 to $30 by statute a year and a half or so ago, over which we had no control.

The number of trials has gone up dramatically, while the number of jurors has stayed even. We have done what we could to keep the costs of that down.

PROJECTION OF NUMBER OF JURIES

Senator D'AMATO. Let me ask you in your new projections what you project in terms of the number of juries? You have 318, as I recall, among the chart as being the optimum number. What would be the optimum number in your new projections?

Mr. POLANSKY. We are attempting to maintain that same level, under the assumption that our addressing the misdemeanor backlog in 1980 created a number of jury trials in excess of what a normal year would provide.

We believe that if we could have the dollars necessary to pay for 318 to 325 jurors a year, we would be all right for the coming year.

PROGRESS IN ELIMINATING BACKLOG

Senator D'AMATO. You have made very significant progress in terms of that backlog. Now what you are saying is we don't create that same kind of situation because that is what will take place. You are backlogging. Am I wrong or right on that?

Mr. POLANSKY. You are absolutely right with one exception, and that is that we haven't cleared the entire backlog yet. We still have a number of programs that would be hell-bent for election to take off on right now. We are held back by the shortfall of dollars.

Senator D'AMATO. Let me ask you, Mr. Polansky, or our distinguished jurists, Judge Moultrie or Judge Newman, can take care of the answer. In the case where you have this backlog particularly in the misdemeanor area, what do we have taking place? Are most of those people, the accused, out on bail?

Judge MOULTRIE. Yes; most of them, yes.

RATIO OF CONVICTIONS

Senator D'AMATO. Let me ask you this: In terms of statistics, how many of those cases that you try, what ratio of convictions to acquittals, do you have a number on that?

Judge MOULTRIE. I couldn't give you that figure. I can get the figure. I want to be accurate. I don't want to give a guess.

Senator D'AMATO. Is it over 50 percent?

Judge MOULTRIE. Well over.

Judge NEWMAN. Closer to 90 percent of the cases that go to trial, Mr. Chairman.

Senator D'AMATO. So that those who are waiting for trial, the experience to date has been about a 90 percent conviction.

Judge MOULTRIE. Just about.

Senator D'AMATO. What is the general rule, on those misdemeanors, incarceration takes place in how many of those cases, if you have an idea?

Judge MOULTRIE. It depends on the crime. Petty larceny, no. It depends on the record. A petty larceny defendant may be incarcerated if he has committed other petty larcencies.

IMPACT OF INADEQUATE JUROR AND WITNESS FEES

Senator D'AMATO. But the fact is that the resultant failure to provide adequate fees for juries or moneys for jury fees and witness fees, what we have now is a number of cases where we have a number of defendants who are out on the streets, their past record has indicated a conviction rate of over 90 percent in most cases.

Judge NEWMAN. Mr. Chairman, that is absolutely true. I serve as the chairman-elect of the National Center for State Courts and we have done a number of studies in that area. The longer the time delay between presentment and trial, the greater the likelihood of repeat offenses while awaiting trial.

One of the most salutory methods of avoiding that recidivism is speedy trial so that whatever sanction is going to be imposed can be imposed quickly.

Senator D'AMATO. I think, Judge, you made a point very clearly, cogently. There is no reason for repetition except that the gravity of the many cases of violence in the streets in our communities comes right back to that very same point.

Judge NEWMAN. Yes, sir.

Judge MOULTRIE. That is true.

Senator D'AMATO. Handfulls, literally, who are out on the streets awaiting trial and what a sad commentary that those trials cannot be held, particularly those crimes which involve the crime against some other person, his or her person, robberies, assaults, et cetera. And it seems to me that that kind of economy that has been proposed is a false economy and in the long run it costs the citizens and the District much more in the way of money, loss and the social consequences that fall out.

I would hope that the Council would take a look at the serious problem, because it doesn't make much sense—don't have sufficient—in the way of moneys that are absolutely necessary for your witnesses and for your juries.

QUESTIONS FOR THE RECORD

We have some other questions that I would like to submit to you in writing but I think your testimony points out those areas of difference in terms of your requests and those which the city has recommended.

I think certainly in the area of the witness fees, jurors fees, you make a very strong case. Obviously if we are going to make it possible for the senior Judges to continue to serve and to be effective I would think that that rather modest request, two additional law clerks would be provided, is something again that would speed the jurisprudence system and the criminal justice system and enhances it and is well worth that rather modest expenditure.

Judge MOULTRIE. Thank you, Mr. Chairman.

CRIMINAL JUSTICE ACT FUNDS

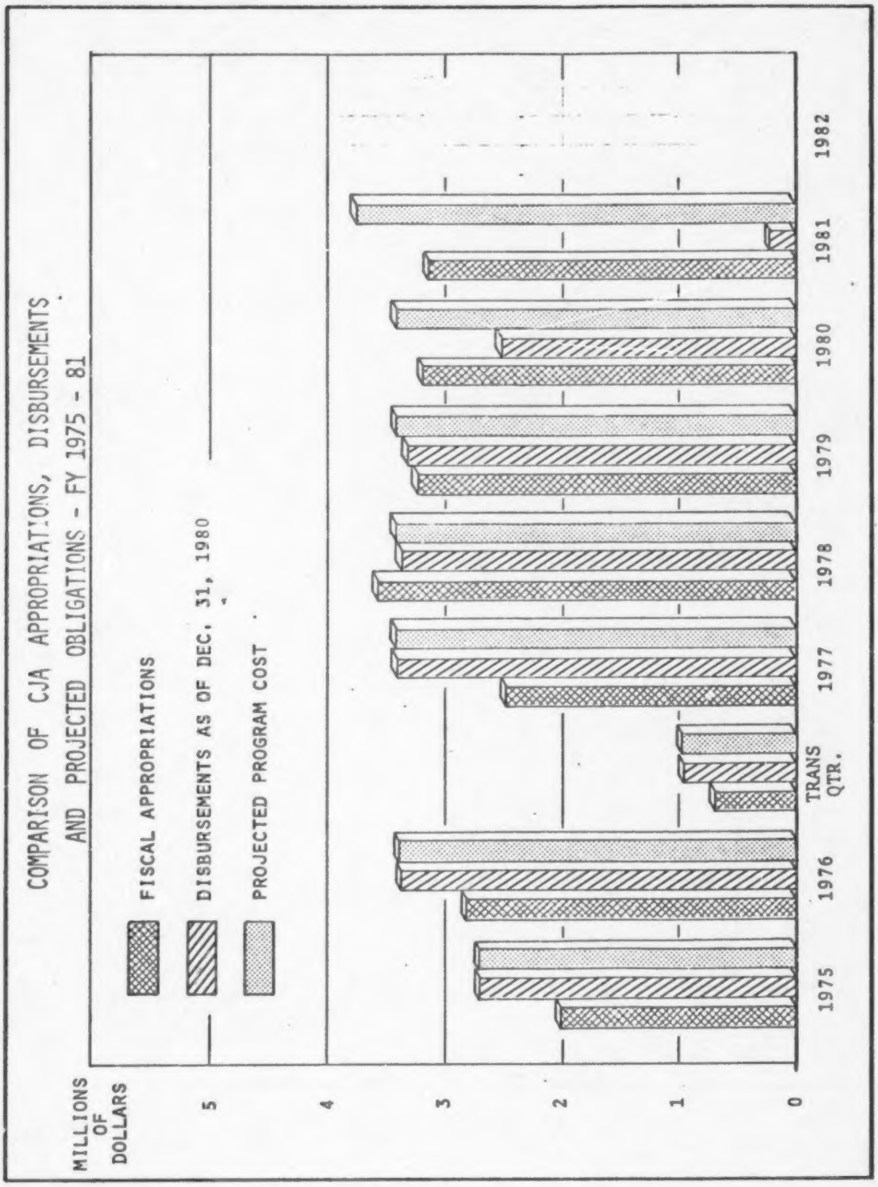
Mr. POLANSKY. Mr. Chairman, if I might impose upon you for a couple minutes there is one other major area that I believe would be worthy to bring to your attention. That is the area of criminal justice act funds, an area where we also have a supplemental request before the Mayor and the Council and, we also have a request in this fiscal year 1982 budget for funds.

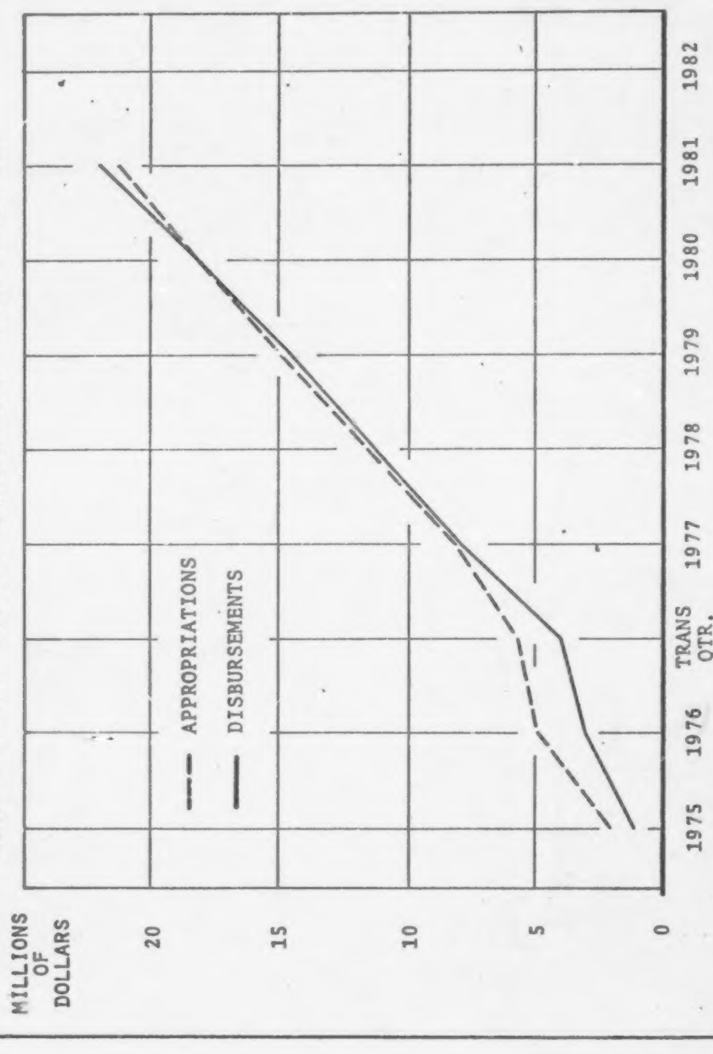
This is the budget area in which the funds are provided for the defense of indigents and with which we have had problems over several years.

I have some charts relating to a comparison of CJA appropriations and other material which I will submit for the record.

Senator D'AMATO. The charts will be inserted in the record at this point.

[The charts follow:]


COMPARISON OF CJA APPROPRIATIONS, DISBURSEMENTS
AND PROJECTED OBLIGATIONS - FY 1975 - 81
FISCAL APPROPRIATIONS
DISBURSEMENTS AS OF DEC. 31, 1980
PROJECTED PROGRAM COST
MILLIONS OF DOLLARS
5
4
3
2
1
0
1975
1976
TRANS QTR.
1977
1978
1979
1980
1981
1982



COMPARISON OF CUMULATIVE CJA APPROPRIATIONS VERSUS CUMULATIVE CJA PROGRAM DISBURSEMENTS SINCE INCEPTION

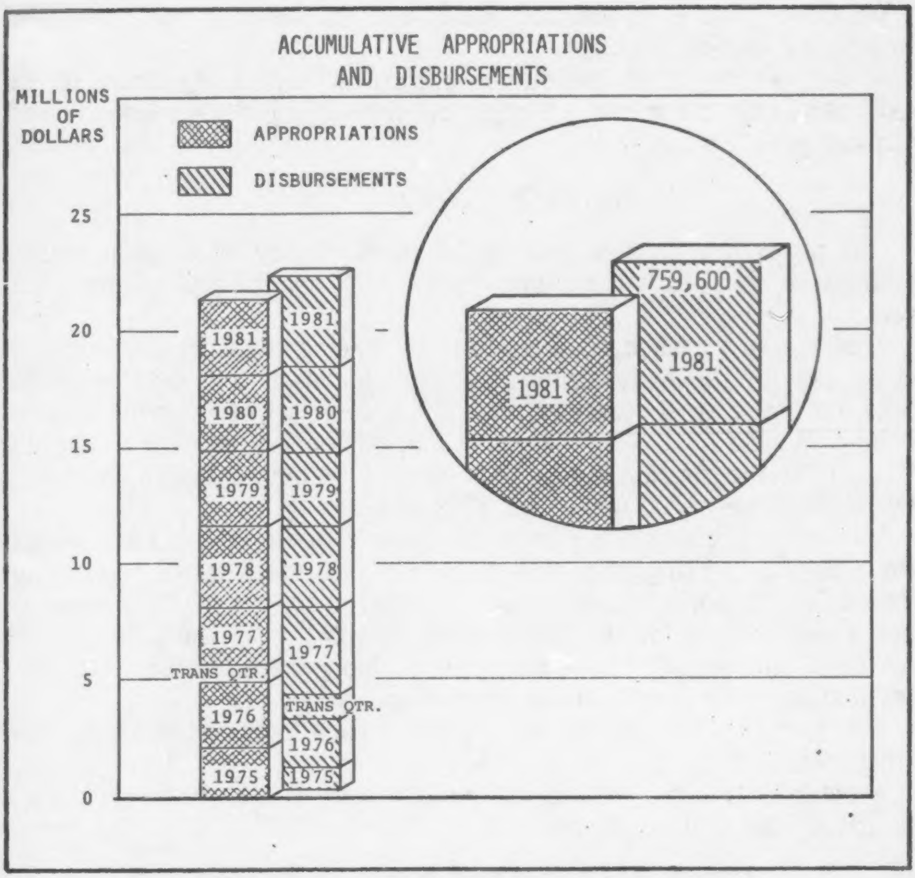


CHART PRESENTATION OF CJA FUNDS

Mr. POLANSKY. If you will bear with me for a couple of minutes, I would like to explain where and why the problem has arisen. This particular function has been funded in the District of Columbia Courts since 1975. The theory in 1975 was that, in the annual budget, Congress would appropriate an amount that would take care of the bills that came in from attorneys when the cases were completed.

It was very early found that we were underestimating, on an accrual basis, how many dollars would come in. In 1975, the green line on the chart represents the appropriation. The red line represents the dollars paid against that appropriation since 1975—you should understand that some of the bills came in as late as last year—and the blue line represents what we estimate to be the top line—or the bottom line, whichever way you look at it—of what eventually will be paid for representation of fiscal year 1975 cases.

Over a period of years the red line has exceeded the green line; that is, the full payment, over a period of years, has exceeded the amounts appropriated in the original budget year. You will find, by looking at each of the budgets for the past years that each current year's appropriation language permits us to pay for bills of prior years if there are no dollars left from the applicable year's budget. We have, however, come to the moment of truth for there is not enough current year money to pay those prior year bills.

We have gone to a real cash basis and on the cash basis we have crossed the line on the chart.

In fact, when you lay the cumulative green year's budget next to the red, actual cash payments, we meet the line—are just even—at the end of fiscal year 1980.

PROJECTED SHORTFALL IN CJA FUNDS

Our projection for this year, and I think it may be a slight underestimate, is that we will be short by $759,000 by the end of this fiscal year.

That is, on a cash basis, or simply by paying the bills that come in every day for the authorizations for representation that have gone out over the past 5 or 6 years, we are short $759,600. The moment of truth is here. We do have a supplemental request for that amount before the Council at the present time. The Mayor's recommendation, however, was to fund only $521,000 of the $759,000.

Interestingly enough, we have the same request in the 1982 budget for $759,000 to bring us to that cash basis and the Mayor's recommendation is only for $380,000, which is rather inconsistent. Neither number, however, provides sufficient funds to pay for all the bills that are out there and we don't have control over that particular area. Legal representation is the constitutional right of the defendant.

I'm sorry to have taken so much of your time. Thank you, Mr. Chairman.

Senator D'AMATO. No; it is just another area where we are calling it a deficit is what you are saying.

SUPPORT OF CITY'S BUDGET FOR COURT OF APPEALS

Judge NEWMAN. Mr. Chairman, the reason that I have not talked about my budget in part is I have submitted my comments in writing and also because the Court of Appeals is in a more fortunate situation than the Superior Court and the Court System since the city's recommendation only varies $28,500 from our request.

By statute, I am compelled to preserve the integrity of, and to stand on our request. However, I am not kicking up any fuss about the city's recommendation. We can live with a Court of Appeals budget that meets the city's recommendation.

Senator D'AMATO. Let me ask you one final question.

Let's go back to the payment of witness fees and jury fees. We project a shortfall of $436,000 in 1981. The Mayor's proposed funding is $200,000 to that. There is also a shortfall in 1982. Am I correct?

Mr. POLANSKY. Interestingly enough, the recommendation by the Mayor's office and the Council, in the fiscal year 1982 budget, is to provide that level of funding for witness and jury fees in 1982, that we have requested.

Senator D'AMATO. So you will simply be short in 1981?

Mr. POLANSKY. That is right.

Senator D'AMATO. And 1982?

Mr. POLANSKY. If the budget goes all the way through as currently recommended we would be sufficiently funded.

REPERCUSSION FROM INADEQUATE JURY AND WITNESS FEES

Senator D'AMATO. Let's deal with 1981. What are the repercussions of that shortfall?

Judge MOULTRIE. What will happen, Senator, if we do not get the money, we will have to stop trials.

Judge NEWMAN. Or violate the Anti-Deficiency Act.

Judge MOULTRIE. One or the other.

Senator D'AMATO. Then we go back into that backlog.

Judge MOULTRIE. That is right.

Judge NEWMAN. Last fiscal year, Mr. Chairman, we had to take advantage of the provision of the Anti-Deficiency Act that permits excess expenditures for public safety and exceeded budget hoping that this body would recognize that we fell within that exception.

Judge MOULTRIE. The choice was either do that or close the doors of the court and we couldn't do the latter.

Judge NEWMAN. If we had to do the latter, it would have had significant consequences for the Nation's Capital.

Senator D'AMATO. It certainly seems to me that this would be a priority area in terms of not only the criminal justice system, but in terms of the entire fabric of our city. That is my feeling. I haven't been able to get much from the Mayor on too much I suggested to him but I will suggest that he take a look at this.

The Mayor and the City Council call the shots the way they deem appropriate. But it just seems to me that we do have oversight that this is an area of the economy that can well be afforded and it will be rather costly in the long run.

I will make that known and hope that we can get them to look at that and redress that situation. I am not too optimistic. You gentlemen, jurists, and administrators, have been dealing with this system far longer than this Senator, who is a neophyte to this process and the intrigue also that surrounds it. But I thank you so very much for your testimony and time.

QUESTIONS SUBMITTED FOR RESPONSES

Senator D'AMATO. I have some questions which I submit for responses.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

D.C. COURT OF APPEALS

QUESTION:

1. The budget request calls for an increase of two (2) staff positions to continue the smooth operation of the Court. Yet on FM/FC/FN-6 you state that of the 26 positions not mandated by statue, four (4) of these positions are vacant in an effort to avoid deficit spending. One purpose of the budget is to request funding for budgeted positions.

a. If these positions were or are still vacant, would you tell us what was done with the funds that were appropriated for them?

b. How can we assure ourselves that, if funding is approved for the two new positions, that the funds will be used for this purpose?

ANSWER:

1a. The Court of Appeals has consistently been underfunded over the last four years. This has resulted from a variety of factors which, I am sure, are known to the Committee. Indeed, our budget requests and submissions have been restrained in light of the city's economic condition. We have been compelled over the last several years to leave authorized positions vacant so as to attempt to avoid deficit spending. Thus far we have succeeded in avoiding "red ink". We are faced with a staggering backlog and a situation where it is imperative that we seek additional resources (in this case, the two new positions requested) so as to enable us to begin to cope with the ever increasing backlog.

1b. Personnel to fill these new positions will be hired as soon as funds are made available for this purpose. We have no intention of leaving these new positions vacant for any time at all since they are crucial to our effective performance.

QUESTION:

2. On FM/FC/FN-6 you state that a major effect of a financial shortage will be the inability to use retired judges at all. In last year's hearings it was stated that some of the retired judges work for nothing anyway.

a. Would you please explain why you say you will not be able to use retired jduges at all?

b. Approximately how many cases are reviewed by the settlement judge during the course of the year?

ANSWER:

2a. Last year, before the judicial pay raise went into effect, one retired judge in the Court of Appeals received maximum compensation, i.e., an annuity equal to an active judge's salary, (this annuity was computed based on 30 plus years of civil service and judicial time). After the judicial pay raise went into effect, this was no longer the case. All of the Court's four retired judges now receive compensation in addition to their annuities, when they work. The daily rate, however, is different for each judge. If overall resources are depleted, this is a budget category surely to be affected.

2b. Approximately 78 cases are reviewed by the settlement judge each year.

QUESTION:

3. On FM/FC/FN-7 you state that the compensation for examiners of the bar was doubled to $9,600.

a. Did the hours also double or will the examiners now be paid $40 per hour?

b. What exactly are the duties of the examiners? Do they grade the exams or simply oversee the grading? If they do not grade the exams, who does and what are their qualifications?

ANSWER:

3a. The hours have, in fact, tripled. The examiners will continue to be paid at $20 per hour.

3b. The examiners prepare the examinations and comments (model answers) to questions. Since July, 1980 the Court has permitted graders for the examination questions. They are paid by the examiners at no additional cost to the Court. The examiners grade and supervise the grading. The examiners also exclusively review all petitions by unsuccessful examinees for review of examination scores. In addition, the Examiners review all motions for admission by attorneys from other jurisdictions and hold moral character hearings.

All graders are law graduates and members of the D.C. Bar. A significant number of them hold advanced degrees in law. (A list of examiners and graders follows:)

Lee A. Satterfield (Chairman)

1. Lloyd N. Moore, Jr.

Richard S.T. Marsh (Vice Chairman)

1. G. Randolph Comstock
2. Nicholas J. Glakas
3. Michael Sherwood McClearycale

Samuel Green

1. Donald L. Hamer
2. Margaret Hunter Pierce

Issie L. Jenkins

1. Barbara A. Bush
2. Jennifer Gold

Alan Kay

1. David Simon

George H. Windsor (Retired)

1. Carol Garfiel Freeman (presently an examiner)

QUESTION:

4. You state that the lack of funding requested would result in reducing the administrative staff by one with the back-up of workload falling on three (3) deputies instead of four.

a. What role does the administrative staff play in the bar examinations process?

b. Why would the staff be reduced by one person? Would this person be reassigned or the position vacated? If vacated, what would be done with the salary and fringe benefits associated with this position?

ANSWER:

4a. Of the four (4) members of the Bar Admissions staff, one devotes approximately 75% of his time to admissions activities. The other 25% is devoted to filing court papers. If the office was cut back, there would only be two (2) full-time employees and one (1) part-time employee assigned to Bar Admissions and to process in excess of 100,000 documents each year. Since this staff processes all correspondence, answers all telephone inquiries associated with admissions, administers the bar examination twice a year, processes all petitions for review, records and reports the bar examination scores and handles all motions applications, a reduction in staff would have a serious impact on the operation.

4b. The position vacancy would occur only if there was no funding. There would, accordingly, be no salary or fringe benefits to redistribute.

QUESTION:

5. In the narrative justification on FM/FC/FN-9 you state that an analysis by the D.C. Bar concluded that two (2) additional assistant clerks should be added. One position would be needed to provide in-house support for the recently installed automatic data processing system in the Clerk's office. The support states that grant funds were obtained to implement and expand the system.

a. Have you attempted or given thought to attempting to obtain grant funds to fund this position?

b. You state that the other position requested is for an attorney to perform both legal research and supervisory responsibilities. Are not any of the current staff capable of taking on this task? This would allow for bringing on a law clerk at a lower salary.

ANSWER:

5a. The Court's source of grant funding, the Law Enforcement Assistance Administration, has been virtually eliminated in the FY 1982 budget for the Department of Justice and no additional funding sources have been identified.

5b. The current staff is presently taking on the task of legal research through the use of law clerks who are appointed on a one year basis. They are supervised by the present non-legal staff. A permanent legal supervisor is absolutely necessary in order to provide legal and administrative supervision, as well as the necessary orderly training and indoctrination of new law clerks as they are appointed.

QUESTION:

6. You are requesting $13,000 to cover terminal leave. What is the rate of staff turnover each year?

ANSWER:

6. Law clerks are appointed for one year. Occasionally, a few stay longer, but it is rarely for more than a few months. Therefore, the Court expects a turnover of approximately 24 staff positions (law clerks) each year and must anticipate making terminal leave payments, in varying amounts to each, as the record for past years dictates.

QUESTION:

7. Other Services and Charges:

a. Maintenance:

(1) What efforts have been expended toward obtaining grant funds for the maintenance of equipment which was obtained with grant funds?

b. Bar Compensation and Expenses:

(1) What exactly will the $28,800 be used for? Compensation for examiners appears to be covered under the personnel section but it seems additional compensation will be provided with this money.

c. Equipment and Equipment Rental:

(1) What type of equipment is to be rented or is currently being rented?

(2) Has any cost/benefit analysis been done to determine if it would be feasible to purchase the needed equipment rather than rent it?

ANSWER:

7a. One of the primary purposes of the grant process is to give the grantee an opportunity to fund the start-up of a program. In fact, we have been encouraged by the granting agency through the use of continuation grants to maintain a successful project until the regular appropriation process is concluded. The grant period has often provided the lead time during which a request may be developed and approved by the budget authorities.

The start-up period is now completed. (In addition, as noted in Question 5, grant funds through LEAA will no longer be available.) The maintenance budget is needed beginning October 1st, 1981 and it is critical that these funds be provided through the appropriation process.

7b. The compensation to each of the six bar examiners was increased by the Court from $4,800 per year to $9,600 per year. The calculation is as follows: $4,800 X 6 = $28,800. This is identified as additional compensation.

7c. (1) A Xerox Model 5400 and a Xerox Model 3400 are currently being rented.

(2) No. Although a formal cost benefit analysis has not been undertaken, based upon the number and cost of service calls made in the past year and the need to replace one of the machines in February 1980, it appears that a rental arrangement is most cost effective for our level of activity.

QUESTION:

8. On FM/FC/FN-12 you state that grant applications have been and will be submitted which will provide additional grant funding.

a. Would you provide for the record what applications have or will be submitted and what the funds obtained will be used for?

b. How much grant money is involved here?

ANSWER:

8. a & b. 1980-1981 - Word Processing System for the D.C. Court of Appeals -- $110,000. 1980-1981 - Judicial Planning Committee -- $44,500.

These are funded through LEAA. Other sources are currently being investigated but we have experienced no success or promise of success in this area thus far.

SUPERIOR COURT

QUESTION:

1. On FM/FC/FN-16 you state that if requested funding for within grades and terminal leave ($294,200) is not provided in FY 1982 that approximately 20 positions would probably remain vacant.

a. How many funded positions are currently vacant?

b. For what has the funding for these positions been used?

ANSWER:

1a. For fiscal year 1981, there are 875 authorized positions, (although over 900 are, in our best judgment, needed). Funding was provided for 850 of those positions of which, at the present time, 840 positions are filled or committed to be filled based on selections already made. Recruitment actions have been initiated for the remainder of the funded positions which are expected to be filled by month end.

1b. Savings which have resulted or will result in fiscal year 1981 from vacant funded positions have been or will be used to fund our terminal leave payments, for which there is no appropriation.

QUESTION:

2. On FM/FC/FN-20 you state that the implementation of a new law (Act 3-181) will increase the workload in the Probate Division, yet on FM/FC/FN-15 the Probate case filings for FY 1982 are less than the number projected or actual for the three prior years. Would you explain how the workload would increase when the number of cases is decreasing?

ANSWER:

2. Although the number of cases, actual or projected, is decreasing, the actual workload is increasing under the new "Probate Act of 1980" because of: (a) the increased filing of inventories; (b) the increased filing and auditing of accounts; (c) the increased filing of requests for interim relief for submission to the Fiduciary Judge. None of these would have been required or necessary under the special bond procedure of the old probate code.

In addition to the increase in the filings of inventories, accounts and petitions, the Probate Division will experience an increase in the number of small estate administrations which the Court must prepare and process for the citizenry under the new law. This increase is due to the raising of the small estate ceiling from $2,500 to $10,000.

QUESTION:

3. It seems that the 40% increase in workload will be offset by the 40% of caseload that will still be processed under special bond. Is this the case? If not, explain where the additional workload increase will occur?

ANSWER:

3. The old probate code provided for special bonds which, in effect, meant that upon qualification and appointment of the personal representative, the Court had no further jurisdiction (including filing of inventories and accounts) over the administration of the decedent's estate. Special bonds could be granted only when all the interested parties consented in writing to the granting of a special bond to the personal representative. Approximately 40% of the cases filed under the old probate law were administered under special bond.

With the advent of the new law, the special bond provision has been eliminated. In the case in which the sole beneficiary is also the personal representative, however, the new law (D.C. Code 20-731) allows the waiver of the requirement of the filing of inventories and accounts. As a result of the new law, filing of accounts and inventories will be mandatory, but for the exception mentioned above. Accordingly, the Court will experience an increase in the workload largely because the number of accounts to be audited (whether a cursory or a full audit) will increase by almost 40%. In the first few months under the new law, only 10 cases out of 267 qualified for waiver of the filing of inventories and accounts. Under the old law, approximately 107 cases of that number would have been handled under special bond provisions.

QUESTION:

4. On FM/FC/FN-21 you are requesting funding for the Screening and Diversion of Alleged Delinquents Program that was previously funded with an LEAA grant.

a. What was the caseload of this program while funded by the LEAA grant?

b. Approximately how many private agencies were involved in the program? Would these same agencies still be available to provide the same services under the District sponsored program?

c. What is the average cost per case?

d. Is the amount being requested the same as that provided by the LEAA grant?

ANSWER:

4a. The program became operational in June, 1979 when the first youth entered the program. From June, 1979 to May 15, 1981, a total of 188 youth have been served by the program. From the latter date through the termination date of LEAA funds (08/31/81), an additional 14 youth will enter the program. The total caseload of the program from the date the program became operational through the date of termination of LEAA funds will be 202 youth.

4b. All diagnostic and treatment services for youth in the program have been provided by private youth serving agencies within the community. A consortium of private agencies contracted to provide the basic assessment and treatment needs. There are four primary service providers and an additional forty agencies that have been utilized as auxiliary service providers.

Primary Service Providers

(1) The Washington Streetwork Project; (2) Georgetown University; (3) Southeast Neighborhood House; (4) The Bureau of Rehabilitation.

Auxiliary Service Providers

The consortium has utilized the following private agencies as auxiliary service providers: Operation Sister's United; Barney Neighborhood House; Big Sister's of Alexandria, Virginia; Southeast Neighborhood House; Educational Opportunity Center; Armstrong Adult Education Center; Franklin Adult Education Center; Shaw Community Health Center; Black Seeds, Inc.; Summer Youth Employment Center; Chrysler Learning Center; D.C. Institute of Mental Hygiene; Pride, Inc.; D.C. Employment Services; Northeast Neighborhood House; Volunteer Clearinghouse; D.C. Adult Education Center; George Washington University Hospital - Psychiatric Unit; Family and Child Services; Department of Recreation; Children's Hospital; Hillcrest Children's Center; St. Elizabeth's Hospital; The Department of Vocational Rehabilitation; Area C Community Mental Health Center; Job Corps; D.C. Public Library; Columbia Heights Youth Club; D.C. Street Academy; Junior Citizen's Corps, Inc.; D.C. Coalition for Youth; DHS/Protective Services; Metropolitan Police Boys Club; Special Approaches to Juvenile Assistance (SAJA); Sasha Bruce House; Center for Unique Learners; Inner Quest, Inc.; George Washington University Reading Center; The Groome Center; The New Theater of Washington.

All of the above agencies have indicated a willingness to continue providing services under a District-funded program.

4c. By 8/31/81, the program will have been operational for approximately a two year period. Federal funds, in the amount of $325,050, will have been utilized to serve 202 youths for an average of $1,609 per case.

4d. The amount requested in fiscal year 1982 represents, approximately, the same per capita cost as that under federal funding. The projected population to be served during fiscal year 1982 is 125 youth (which would result in a per case cost of $1,707).

QUESTION:

5. You state on FM/FC/FN-21 that the Community Service Program was, through FY 1980, funded by a grant from ACTION. You go on to say that an applcation was made to LEAA to obtain grant funds to operate the program through FY 1981. Was grant funding obtained from LEAA to operate this program for FY 1981? If so, has application been made to obtain similar funding for FY 1982? If not, why?

ANSWER:

5. Grant funding was, fortunately, obtained from LEAA to operate the Community Service Program during FY 1981. Application has not been made to obtain similar funding for FY 1982 since no additional funding is available from LEAA for this, or any other, program.

QUESTION:

6. TERMINAL LEAVE:

a. What is the average turnover rate of Superior Court personnel?

b. What is the average terminal leave payment made to employees upon leaving Government employment?

ANSWER:

6a. During the most recent twelve months (May 1980 - April 1981), 130 non-judicial employees have terminated from the rolls of the Superior Court. 108 of these employees hav left District of Columbia and/or federal employment.

6b. During this period, $131,200 was paid in terminal leave - an average of $1,215 per individual leaving the District of Columbia Courts for non-government service.

QUESTION:

7. GRANT FUNDS:

Would you provide for the record the grant funds applied for or to be applied for and the purpose for which these funds will be used?

ANSWER:

7. Since the beginning of FY 1981, we have applied for and received the following grants: (1) a Guardian Ad Litem Program in the amount of $150,000, representing third and final year funding of a program which provides reimbursement to volunteer attorneys who represent neglected and abused children; (2) a Juvenile Restitution Program in the amount of $137,094, also representing third and final year funding, which provides an alternative to traditional confinement and probation by requiring the offender to make restitution in the form of a specified number of hours of community service.

We also have pending one additional application in the amount of $686,813 for a program that will provide for detailed needs assessment and treatment services for a small group of chronic juvenile offenders. This grant is for an eighteen month period and is part of a national research program.

D.C. COURT SYSTEM

QUESTION:

1. The FY 1982 budget request states that there are only 38 Court Reporters on board to provide reporter service to more than 50 judges and hearing officers.

a. Do these 50 judges and hearing officers hear cases every day where a reporter would be needed?

b. Would you provide for the record statistics on the average daily cases heard?

c. What is the current ratio of reporters to judges?

ANSWER:

1a. No. (Not every one, on every day). However, most (but, fortunately, not all) of our hearing commissioners, active judges and retired judges do hear cases every day for which a court reporter is needed. In order to accommodate that large number, the District of Columbia Court System operates a court reporter "pool" system whereby each available court reporter may be assigned and reassigned to any judge throughout the day on an "as needed" basis. Infrequently, in addition to the reporting responsibility, the reporter, when the opportunity arises, spends whatever additional time is available in the transcription of his or her notes. We find this to be an efficient way to deploy individual court reporters and to obtain the maximum utilization of their services.

1b. There were 205,442 cases disposed of in the Superior Court during calendar year 1980 which amounts to 822 dispositions per day. In addition, there were thousands of motions filed, many of which required the reporting of proceedings.

1c. The Court System now operates at a ratio of .78 court reporters per judge. (National Standards indicate a ratio of 1.1, as a minimum.)

QUESTION:

2. On FM/FC/FN-35 you are requesting an additional $759,600 funding for the Criminal Justice Act Program, a program which allows the District of Columbia to provide representation for defendents financially unable to obtain an adequate defense in criminal cases in the District of Columbia Courts.

a. What is the approximate number of cases that were handled through this program in FY 1981? What is the anticipated number of cases for FY 1982?

b. What is the average cost per case?

c. How many private attorneys are available for participation in this program?

d. What is the average length of time an attorney is on a case?

e. Were any of the funds appropriated to this program in FY 1981 used to pay Public Defender Service attorneys? If so, how much? What percent of the total funds expended?

f. When are private attorneys used instead of Public Defender Service attorneys?

ANSWER:

2a. Approximate number of cases (appointments) in fiscal year 1981 - 16,620.

Anticipated number of cases (appointments) in fiscal year 1982 - 16,620.

Note: An identical amount of additional funding ($759,600) has been requested in the Fiscal Year 1981 Supplemental.

2b. The average cost per case for legal services is $207 per appointment. This does not include the payment of expert and other service (non-legal) costs which are also provided for in the program.

2c. There are currently 810 private attorneys available for participation in the program in the Superior Court and 600-700 attorneys (most of whom are also available in the Superior Court) in the D.C. Court of Appeals.

2d. The average length of working time an attorney spends on a case is 10 hours, 11 minutes (based on average amount paid). The average length of calendar time an attorney spends on a case (from appointment through disposition), however, is 9 months and 5 days.

2e. No.

2f. The appointing judge is supplied with a list of Public Defender Service attorneys who are available to handle new appointments. Appointments are made by the judge first from available Public Defender and then from CJA and volunteer pro bono attorneys, according the attorney's level of experience and the complexity of the case.

QUESTION:

3. It appears that this program is simply an extension of the Public Defender Service.

a. Is this the case? If so, why is Public Defender Service needed? Why not somehow incorporate the two? Both provide legal representation to financially incapable defendants.

b. Has any analysis been done which incorporates the combined funding and expenditures of the Criminal Justice Act Program and the Public Defender Service to determine: average number of cases; average cost per case; and average length of time case is open. Another analysis might include a comparison of the above three items for the two programs to see which is the more cost beneficial.

ANSWER:

3a. It apears that the co-existence of the two systems is an expression of Congressional policy as evidenced by Section 2-222 of Chapter 22 of Title II of the D.C. Code which provides that the Public Defender Service (PDS) be limited in the percentage of indigent cases that it can handle. The Code also provides that PDS may furnish technical and other assistance to private attorneys appointed to represent indigent defendants.

3b. No. However, this question arose in the fiscal year 1981 Public Defender Service hearings before the House of Representatives' Subcommittee on District of Columbia Appropriations. Attached is a table included in the transcript of that hearing which appears to be relevant to your inquiry.

As far as the CJA program is concerned, the following is provided: Average number of cases (16,620 per year); average cost per case ($207.00 per appointment); average length of time a case is open (9 months and 5 days from appointment through disposition).

FISCAL YEAR 1979—AVERAGE COST PER CASE [1]

	PDS attorney [2]	Private attorneys compensated under CJA	
		Felony	Misdemeanor
Adult case	[3]229.17	236.98	143.37
Juvenile case	204.04	200.58	

[1] An accurate comparison of average costs per case between the Public Defender Service and private attorneys compensated under the D.C. Criminal Justice Act program cannot be approached from an angle of total appropriated amounts for the Service and CJA. One division of the Public Defender Service administers the CJA Program for the Court. The Service's Investigation and Offender Rehabilition Divisions provide services for private attorneys as well as PDS attorneys. The Service's library resources are utilized as much by the private bar as the PDS staff. These elements would have to be factored out of the PDS cost. A more direct analysis, provided in the chart, is that of comparing a PDS attorney salary and the number of cases that represents against average per case payments made by the CJA.

[2] These figures were derived by calculating the average attorney salary divided by the average number of cases closed per attorney. They do not include units of support staff or supplies since the CJA payments are based only upon an hourly rate paid to the attorney.

[3] The majority of these are felony cases. Moreover, 60% of PDS felony cases are serious felonies carrying penalties of at least 15 years to life imprisonment. It is difficult to make a direct comparison between PDS attorneys and private attorneys since CJA fiscal information provided the Service does not delineate types of cases within the felony category. Although the average CJA payment for a felony is $236.98, the more serious cases, since more time would be involved, cost the system considerably more. The maximum amount that can be paid to a private attorney for a felony without special approval by the Chief Judge is $1,000.

METROPOLITAN POLICE DEPARTMENT

STATEMENT OF BURTELL M. JEFFERSON, CHIEF OF POLICE

ACCOMPANIED BY:

MAURICE T. TURNER, FIELD OPERATIONS OFFICER
ANTHONY AMATO, SUPERVISORY BUDGET AND ACCOUNT OFFICER
ISAAC FULWOOD, JR., DEPUTY CHIEF
RICHARD J. PENNINGTON, CAPTAIN

INTRODUCTION OF CHIEF DESIGNATE TURNER

Senator D'AMATO. We have as our second panel of witnesses Chief Jefferson and the Chief Designate, Maurice Turner.

Mr. JEFFERSON. Good morning, Mr. Chairman.

Let me say that I take a lot of pleasure in participating in the presentation of the Metropolitan Police Department's budget but at this time I would like to, with your permission, introduce Assistant Chief Maurice Turner, who has been designated by the Mayor as my successor, and Deputy Chief Isaac Fulwood, Director of the Financial Management Division for the Metropolitan Police Department.

In light of the fact that this will be my last appearance before this committee, I feel that it is——

Senator D'AMATO. Do you feel that with a sigh of relief? [Laughter.]

Mr. JEFFERSON. Perhaps that is pretty well spoken. But I think in all fairness to Assistant Chief Turner, he should be allowed the opportunity to make the presentation of the budget request to allow him to get the feel for his future appearances here before this committee.

With that, Mr. Chairman, I will defer to Assistant Chief Turner for the opening statement.

Senator D'AMATO. Thank you, Chief.

Mr. Turner?

Mr. TURNER. Thank you.

STATEMENT OF POLICE CHIEF DESIGNATE MAURICE TURNER

Mr. Chairman, I am very pleased to have this occasion to appear here today to deliberate the Metropolitan Police Department's budget for fiscal year 1982.

As you are aware, the Metropolitan Police Department is the principal law enforcement agency in the District of Columbia. It is primarily responsible for the detection, investigation, and prevention of crime; and it is accountable for the safety and well-being of 637,651 residents and approximately 4,750,000 visitors and tourists attracted to the city each year. The Department has the added responsibility of providing safety for approximately 557,857 commuters coming into the city on a daily basis.

The proposed budget for my Department in fiscal year 1982 amounts to $110,158.0. It will fund 3,621 uniform officers and 548 civilian positions.

What this funding level represents is a budgetary reduction of $7,855.0, which is in distinct contrast to the $118,013.0 level of funding received in fiscal year 1981. This translates into a 7.13-percent loss in appropriations and the elimination of 254 uniform positions, or a 6-percent total loss in human resources.

This fiscal year 1982 budget was developed by the Mayor and the City Council before the fiscal year 1981 budget was approved by Congress, it represents those priorities as established by the Mayor and the City Council.

Most recently the Mayor announced that his highest priority is to make the Nation's Capital a safe and well-protected city. Crime index offenses for March 1981, exhibited a 19-percent increase over March 1980.

The Mayor and I cannot overemphasize the fact that this Department has no greater challenge than to reduce crime. Crime at any level reduces the quality of life in a city and retards its vitality and growth. There is no doubt that government must eliminate the fears and threats that result from criminal activity, and that public safety must be provided at all costs.

As Chief of Police I am charged with this responsibility. My position represents the catalyst for insuring this safety. All of us in government must understand that the seriousness of crime cannot be mitigated. It is serious, and will remain serious at whatever index level it may exist. And certainly it cannot ever be compromised as having a level of acceptability.

Mayor Barry is strongly committed to public safety and believes that residents of the city and visitors deserve quality police protection.

COMPREHENSIVE 13-POINT CRIME PROGRAM

This commitment has never been more evident than during the announcement by Mayor Barry and Chief Jefferson of the city's comprehensive 13-point unified effort to reduce crime. These programs involve government, business, and the community residents, coupled with the hiring of 75 officers in the very near future, should give support to other initiatives already in progress.

Two programs which will emerge from this effort are neighborhood watch and crime solvers. Both activities provide citizens with an opportunity to participate in the protection of their homes and communities, both have received national and local success.

In an attempt to extract optimum benefits from available resources, without jeopardizing public safety, I have had to introduce a number of management initiatives in order to yield a greater level of productivity.

I can assure you that I will continue to transition officers from administrative positions—support—where there is not a specific need or incumbency requirement for police expertise or authority into the Field Operations Bureau—operation. Even in the face of substantial manpower reductions, during recent years the Field Operations Bureau has continued to increase as a greater proportion of the total force. This percentage has increased from 85 percent in 1976, to 88 percent in 1981.

Despite these efforts, there will be some lessening of police capabilities. The direct programmatic impact of the fiscal year 1982 budget will require that functions and responsibilities be reprioritized to offset the increases in crime, and the lessening of available resources.

Of considerable concern will be the lessening number of officers available for traffic enforcement. Officers previously assigned to the traffic safety program will now be directing more time to crime fighting. Consequently, this unit will lose much of its capability to monitor traffic.

The implementation of techniques of high visibility crime patrol, in addition to augmentations in deployment and patrol patterns can be expected to produce favorable results.

Similarly, emphasis is being placed on case closure rates as a means to reducing the open case backlog. A recent illustration of this effort has been the arrest of 16 persons which resulted in the closing of 14 homicides, the majority of these cases dated back to the early part of 1980. This successful development can be attributed to the homicide emergency response detail program, which provides an additional resource of well-trained death investigators who are immediately available to give assistance to the Homicide Branch. Specifically, their efforts are directed toward the current listing of unsolved murders.

ATTENTION TO NARCOTIC TRAFFICKING

Furthermore, considerable attention is also being given to narcotic trafficking. The increase in the availability of heroin on the streets has sharply reduced its cost per gram. Heroin prices have been reduced from $60 per gram in 1979, to $40 per gram in 1980. Likewise, the purity of heroin presently being purchased has shown an increase of 1 percent, progressing from 2.85 percent in 1979 to 3.85 percent in 1980. Specifically related is the number of narcotic fatalities which have increased from 41 deaths in 1979 to 62 deaths in 1980. As a further point of reference, there were only eight drug-related deaths in 1978.

The Department's special drug deterrent program is currently being directed at buyers and dealers in high drug activity areas.

Recently, several drug arrests were made by police posing as potential buyers of narcotics. It is my firm belief that there is a direct correlation between the availability of drugs on the streets and the recent upsurge in crime. As narcotic habits increase with the availability of drugs, there is a need for addicts to support their drug usage through increased criminal activity.

The problems associated with controlling the flow of narcotics is national in scope, and will require the collective efforts of Federal and local drug enforcement authorities to cut the source of illicit narcotics coming into the area.

We are also exploring methods for increasing the utilization of the computer as an effective crime fighting instrument; hopefully, this program could mean a higher success rate in solving crime.

CADET PROGRAM

In an effort to increase the number of officers performing street duty, Mayor Barry has approved the implementation of the cadet program.

The utilization of 100 cadets in staff positions will free officers from administrative duties to perform more critical patrol duties.

I cannot overemphasize the fact that this Department has no greater challenge than reducing crime.

The uniqueness of the District of Columbia carries with it some awesome responsibilities for this Department. At no time were these responsibilities more exemplified than during the inauguration of the 40th President of the United States, there were over 500,000 participants and spectators.

ESCORT SERVICES AND DEMONSTRATIONS

We received numerous awards from the new administration for our distinguished performance during this historic event. The Department responded in similar fashion in carrying out its responsibilities during the parade and ceremonies for the returning Americans held hostage in Iran. Over 500,000 persons witnessed this event.

Repeatedly, this Department must provide escort services and security details for dignitaries, handle major demonstrations of the magnitude of the March of Life, the farmer's demonstration, and similar special events such as the Pope's visit. These activities consume considerable overtime, gasoline, and other resources. Nonetheless, these are obligations that must be performed by this Department on a regular basis, but are exclusively related to the Federal Government's presence within the city.

RATIO OF POLICE OFFICERS TO CITY RESIDENTS

Of particular concern to me is the notion that the Metropolitan Police Department has the highest ratio—6.15 of police officers per 1,000 city inhabitants—among cities of comparable size. I would like to point out to you that a ratio of 2.8 officers per 1,000 inhabitants is more precise. This is based on the fact that the District of Columbia experiences on a daily basis the influx of 557,857 commuters and 136,936 visitors. It is my contention that it is an unfair assessment to exclude this Department's safety responsibility to commuters and visitors when computing ratios to show the number of metropolitan police officers per 1,000 inhabitants when making national comparisons. Furthermore, as the principal law enforcement agency in the city, the Department lends considerable resource support to the Federal law enforcement establishment.

CHALLENGE OF THE 1980'S

The challenge for the 1980's to Government will be to increase productivity of the worker. It is very clear that funding for new programs will not be forthcoming. From a law enforcement perspective this will mean a greater responsibility for improving management techniques. Additionally, emphasis will have to be placed on coordination at both the local and national levels to deal with the problems of increasing criminal activity.

As Chief of Police I will continue to work vigorously toward reducing crime in this city.

I will accept the available resources, and discharge my responsibilities in the most efficient and effective manner. And I will continually strive to make the District of Columbia a safe city to live and work, and a beautiful and well-protected place to visit.

Senator D'AMATO. Thank you very much, Chief.

INCREASE IN CRIME AND DECREASE IN POLICE STRENGTH

If there are no other statements, I am concerned with regard to some of the estimates that are indicated. For example, one thing that struck me is that the arrests will be going up in fiscal year 1982, yet we are talking about dealing with an increase in the number of arrests with a reduction of 5½ percent of the level that is now available or 257 fewer officers.

What kind of a burden is that going to place on the Department? Can that be handled realistically?

Mr. TURNER. Mr. Chairman, I think with better management processes that we can handle the increased arrests. We have directed the resources of the Department toward making the arrests and I think we will carry through with those items.

Senator D'AMATO. One of the things that also troubles me is that I believe the last conference report, on the fiscal year 1981 bill, called for some 3,800 officers. Last year's appropriation indicated more than 3,800 officers were needed. In this proposal, we find a reduction in the positions of 3,621. Again, what kind of specific actions will the Department take to insure that climate of safety that is so necessary to maintain quality of life that we talk about?

Mr. TURNER. Mr. Chairman, in addition to moving some of the resources from staff positions to street positions we are attempting to reach the uniform level of 3,880.

The Department had transcended a series of personnel complexes—that is the new merit personnel system, and the lawsuit development on the new examination—which caused unanticipated problems and delay. However, these problems have since been resolved. Nonetheless, with the administration of the police entrance examination on March 28, 1981, the new hire program was initiated. Approximately 870 applicants were tested. The results should be available in about 6 weeks from that date.

Subsequently each qualifying applicant will be required to pass a physical examination. The final phase in the hiring process will culminate with a thorough background check. This process usually consumes about 6 to 8 weeks. The Department can expect to have approximately 100 certified applicants available for training upon completion of the hiring process. To date 47 officers are undergoing recruit training. These officers were from the previous eligibility listing. So we are going to continue to pursue that.

The 47 officers that we currently have are in the Academy and they should be ready for street duty June 18.

Senator D'AMATO. Those are the cadets?

Mr. TURNER. No, sir; these are regular police applicants that we were recruiting since the last conference hearing here.

Senator D'AMATO. Do they go from one phase to a cadet phase? There was some testimony that we indicated that there were, I think, 100 cadets that you would be utilizing in various, I believe, administrative positions. Is that right?

Mr. FULWOOD. The 47 officers that Chief Turner alluded to are 47 persons that are presently in the Academy undergoing training. They will be full-fledged police officers upon the completion of the 20-week training program.

IMPLEMENTING CADET PROGRAM

The 100 cadets that the Mayor has approved have not been implemented yet. That is now in the administrative process. A test is being developed. Once the test is developed, we will test for the new cadets and they will then be placed in administrative positions as Chief Turner talked about. Subsequently they will free people for street duty.

Senator D'AMATO. How long will that training process or the cadet process take?

Mr. FULWOOD. That is being developed. What we will do is that training program for cadets will probably be a 14- to 20-week program. That is now in the development process.

Senator D'AMATO. When do you anticipate the beginning implementation of that program?

Mr. FULWOOD. Hopefully the first phase, getting them tested and bringing them onboard, we hope to have that completed by August of this year, get the 100 cadets onboard and into the training process. We will really not reap the benefits of the new cadet program probably until fiscal year 1982.

911 EMERGENCY CALLS

Senator D'AMATO. What is the response time, if you have that, to the 911 emergency call?

Mr. TURNER. Mr. Chairman, I believe the figures will show that the 911 was the recipient of in excess of 1 million calls last year. We have just recently implemented computer-assisted dispatching. With the implementation of that computer-assist dispatching the calls for service, in order to specifically document that, has not been fully implemented at this point in time.

In the very near future, we anticipate that information will be fully implemented. We will be able to document it.

I would say right now that the anticipated response time for a code 1 assignment which is a robbery or rape, or serious crimes in progress, varies between 3 to 4 minutes.

Senator D'AMATO. Do you believe that the reduction in personnel will affect that response time?

Mr. TURNER. I take a very strong stance that we need to screen our calls a lot more than we do. The 911 call generates calls, people want to know what the weather is, things of this nature, even though there are a lot of calls, certainly priority 1 calls should not suffer. I don't think a reduction in manpower is going to do anything, there are always cars available to respond.

We have supervisors able to respond; we have cars that are available in other districts and other sectors of the city. So I don't think there will be a lessening of services when it comes to emergency calls.

COMPUTER AID DISPATCH SYSTEM

Mr. FULWOOD. Also with the new computer aid dispatch that we have in effect, it has a built-in mechanism for prioritizing calls for service. So if a car is on the run for a dogfight, let's say, and a robbery run call is out, the robbery run will run up the ladder on the screen and automatically dispatch the car, reroute it to the robbery, in the way of trying to get better utilization out of the resources that we presently have.

Senator D'AMATO. Is that system in effect now?

Mr. FULWOOD. Yes, it is.

Senator D'AMATO. How long has that system been in effect?

Mr. FULWOOD. We have had it up and running for about 7 months. Of course, you know you have to have a major shakedown period. That is why we are trying to get into the computer, when you talk about the response time, the time that we receive the call, the time the call is dispatched, then the time that the vehicle arrives on the scene and also the time that the vehicle clears the scene. So we are trying to get all of that reprogramed into the system. It has tremendous capabilities and it was a cheap system in that it was an in-house system. We built it. We did not employ outside consultants to bring in a turnkey system.

Senator D'AMATO. It is a good thing you didn't get those other guys to come in who had $38 million and nobody knows what is happening. [Laughter.]

But you see that as a very effective method to, if anything, improve the response time on 911?

Mr. FULWOOD. Yes; it is critically important to screen the calls and get those calls where police officers have to actually be, respond to the scene. It is the cheapest service you can buy, for 15 cents you get a policeman. That is a cheap service.

Senator D'AMATO. How do you distinguish between that real emergency and certainly obviously if there is a dog running around the premises that is a problem, but if you are being mugged, if there is a robbery in process, that is a much more acute situation.

EDUCATIONAL PROGRAM FOR USE OF 911 FOR EMERGENCY CALLS

Let me ask you this: Is there any program under which to really attempt to drive home that point to the citizens as to when to use 911 and when not to, sort of an educational thing that maybe then can cut down on the number or the abuse of 911?

Mr. TURNER. That is correct, Mr. Chairman. That is one of the points in the 13-point unified crime reduction program. We think it is a big mistake now. We put 911 on the back of all of our cars. That is the emergency number. We have now tried to go to a nonemergency number that the residents of the city call the local precinct or the local district where they live and we have tried through educational means to change the habit that they have been into.

We have attempted to work with the telephone company so they will put the numbers, list them in the book, send out the notices to people who pay telephone bills, put them in the electric bills and also in an educational process we are trying to change the 911 abuse.

RESPONSE TIME TO PRECINCT CALLS

Senator D'AMATO. Chief, let me ask you this: It may be sticky, but what is the response to precinct calls? I will talk about other jurisdictions so as to keep it away from the District of Columbia. But it has come to my attention in other areas, let's say, of the country, some urban centers, that when calls are made to the precinct, that phone can ring and ring and ring and ring and just continue on.

Let's be candid. Do we have a problem? I am not suggesting that we do. But if there is somewhat of a lack of response, an appropriate response after a period of time, then what takes place is even the nonemergency kind of situations, people just automatically go to 911 because they say the precinct is not going to answer.

I am not looking to chop you or anything, but is there a lag? Do you think something can be done to improve response at the precinct house to the calls that come in?

Mr. TURNER. We have been the recipients of complaints of this nature in the past and we have tried through management or inspectional processes, to cut down on some of the complaints. We have what we call an over-ring in our communications system. It doesn't have to be an emergency on a 911. When a citizen or a complainant calls the police, it rings in the communications system, if the over-ring is at a different point at one time, I don't know what the time limit is, 2 minutes, probably, it then begins to ring at the supervisor's desk and it is answered there. We do capture that information from the various precincts, as you refer to them, district station houses. We have our field inspections unit.

Frequently that is one of the management tools that we used to call these numbers to see what the response is.

If there is somebody immediately doing it, when there are problems coming up, we take disciplinary actions. I am sure it occurs sometime. But I don't think to a great degree that is occurring within this department.

CONGRATULATING CHIEF BURTELL JEFFERSON

Senator D'AMATO. I would like to thank the Chief and wish him well after the stewardship that has been over 20 years; is that correct?

Mr. JEFFERSON. Over 30.

CONGRATULATING CHIEF DESIGNATE MAURICE TURNER

Senator D'AMATO. I would like to congratulate the new Chief Designate Turner.

Mr. TURNER. Thank you, sir.

Senator D'AMATO. I certainly wish you the best and look forward to cooperating with you and working with you in any way that we can be of assistance. We may have some additional questions and not to bog the proceedings down, we will submit them to you in writing.

We would like a response.

Again not as an observer of the Washington scene, so to speak, but in terms of general perceptions, if there can be some way to improve or cut down on that person who picks up the phone at the precinct, I would suggest you would cut those 911 calls down tremendously. Maybe, Chief, coming in maybe that is the kind of thing that can have some long-range dividends. I would suggest that you might help out in that process, to distinguish from the real emergencies, making that 911 much more effective.

But I thank you for your participation and I certainly wish you the best of luck in your new position.

Mr. **TURNER**. Thank you, sir.

QUESTIONS FOR RESPONSES

Senator **D'AMATO**. I submit some questions for responses for the record.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

METROPOLITAN POLICE DEPARTMENT

A. ARRESTS FOR DRUG ACTIVITY

QUESTION:
1. On page FA-2 arrests for drug activity are expected to increase by 11% for the second straight year. Does this represent an increase in drug activity in the District or an increase in emphasis by the MPD?

ANSWER:
1. This increase in drug activity is the result of increased availability of controlled substances caused by an exceptionally large opium crop from the growing countries. This increase is evident on the streets of Washington by the higher purity of heroin, its lower price, and the all time high rate of drug overdose deaths. This availability increase is being combated by the Department with greater emphasis being placed on special programs initiated to control umbrella crimes committed by drug addicts. Emphasis is also being placed on enforcement efforts through the Joint MPD/Drug Enforcement Administration Task Force, and the Diversion Investigative Unit. These two programs, along with other special programs of the Narcotic Branch, including the seven police districts, will account for at least an 11% increase in narcotic arrests.

QUESTION:
2. What is the current estimate of the FY 81 increase? Is 11% still a good figure?

ANSWER:
2. The 11 percent projected increase from FY 81 to FY 82 in drug arrests is based on availability of heroin and increased police activity. At the present time the number of arrests for drug activity is estimated at 2,992. This figure corresponds with our expected increase projection for FY 1981 of 11%.

B. PROGRAM MEASURES

QUESTION:
1. On page FA-8 you note that the closure rate of criminal cases is the same for the last two years. What has been the actual experience of the last couple years and FY 81 to date?

ANSWER:
1. The actual closure rate of criminal cases for FY 79 was 24.0%. For FY 80 the actual closure rate was 19.8%. As of March 1981, the actual closure rate of criminal cases is 19.2%.

QUESTION:
2. You also indicate that criminal arrests will remain at 37,540 the same as FY 80. How is this figure derived? What is the current estimate for FY 81 and FY 82?

ANSWER:
2. The figure 37,540 is derived from actual arrest data reported in FY 79 (37,907) and FY 80 (37,540). The current estimate for FY 81 is (37,540) and FY 82 (37,540). This level of arrests is based on anticipated higher productivity from reduced manpower.

C. EQUIPMENT

QUESTION:
1. How many police cars does the District currently have? How many do you intend to replace in FY 82? Will that be enough?

ANSWER:
1. The Department presently has a total of 526 police vehicles. Included in this total are 138 scout cars, 124 detective cruisers, 234 cruisers which are primarily utilized in high crime areas, 12 crime scene vehicles and 18 patrol wagons.

Our budget request includes funds to replace 100 of these vehicles. This represents a 23% decrease from previous replacement levels. The 23% decrease is based on a recent study which analyzed computer assisted dispatch data to determine proper patrol car allocation. The decrease should provide a savings to the department without jeopardizing service.

QUESTION:
1. On page FA-8, you show a FY 1982 request for 3,111 positions, with a reduction of 257 positions. However, on page FA-9 you show a FY 1982 request for 3,6111 positions, with only a reduction of 3 positions. You also state on page FA-8, that reductions in the Youth Division will lessen your effectiveness in handling juvenile problems. However, on page FA-9, your FY 1982 request for positions indicates no deviation from FY 1981.

a. Please explain?
b. Also on page FA-8, you state that the Criminal Investigations Division will have to prioritize cases involving criminal investigations due to a reduction in available detectives. On page FA-9 your request for FY 1982 indicates no change from FY 1981. Please explain?

ANSWER:
1a. Attempts to correlate position figures in the summary portion of Schedule 5 (position column) should not be made. These figures relate to authorized positions. This department will suffer no reductions in Fy 82 of authorized positions over FY 81, the reduction that will occur are for funded positions. Adjustments to positions reflected in this column indicates simply transfer of authorizations between Control Centers and not reductions. In all reality, this department can only operate with the number of positions funded. Impact statements such as a reduction of 257 positions relates to funded levels and is more appropriately reflected at the bottom of the Schedule 5's for each Control Center.

The reductions in the Youth Division refer to the levels in FY 1981 and FY 1982 compared to FY 1980. In FY 1980, the Youth Division had 84 funded positions versus 70 funded positions in FY 1981 and FY 1982.

1b. The reduction in manpower for Criminal Investigations Division refers to the FY 1981 and FY 1982 funded levels of 195 positions versus the FY 1980 funded level of 220 positions. Authorized levels do not reflect this adjustment.

QUESTION:
2. On page FA-3, you state that the Field Operations Bureau will have a slower response time in "calls for service." However, on page FA-4, you show only a reduction of 3 positions.

a. Please explain?
b. Also, how will this affect the traffic monitoring and enforcement of traffic regulations?

ANSWER:
2a. The slowerresponse time is for calls for service of an non-emergency nature, such as traffic complaints, dogs barking, etc. The response time to emergency priority 1 calls remains the same (between 3 to 4 minutes). The reduction of three positions indicated at the top of page FA-4 refers to authorized positions only as opposed to funded positions. Specifically, these three positions are a transfer rather than a reduction.

2b. There will be no adverse impact on traffic monitoring or the enforcement of traffic regulations.

QUESTION:
3. On page FA-8, you state that the department's ability to handle major demonstrations will be affected due to the availability of less manpower.

a. If there is only a reduction of 3 positions from FY 1981 to FY 1982 for Field Operations Bureau, how will the ability of the department to handle major demonstrations be affected?

b. Does the department coordinate with other organizations during demonstrations? If so, how are the tasks divided?

ANSWER:
3a. We feel that there will be some lessening in the ability to handle major demonstrations in FY 1982 versus FY 1981 because the funded manpower level in FY 1982 is 257 fewer than in FY 1981. The funded positions are captioned "Average Employment" at the bottom of page FA-9.

3b. The Metropolitan Police Department (MPD) coordinates during demonstrations with the following agencies: The United States Park Police (USPP), the United States Capitol Police (USCP), the United States Secret Services-Uniform Division (USSS-UD), and the Federal Protective Service (FPS).

Responsibility is accepted by virtue of geographic jurisdiction. The USPP is responsible for National Parks territory including the National Mall, Lafayette Park, the Ellipse, East and West Potomac Parks and the Memorial Bridge. The USCP is responsible for the grounds under the jurisdiction and control of the Architect of the Capitol. The USSS-UD is responsible for the White House grounds and foreign embassies, legations and missions. The FPS is responsible for the area within federal buildings. The Metropolitan Police is the primary coordinating agency for all major demonstrations and special events which occur in the District of Columbia.

QUESTION:
4. Over the past few years, the MPD civilianization program received a good deal of publicity, primarily because it was a cost saving measure which did not dilute your law enforcement capability.

a. What is the current status of the program? How many police slots have been converted to civilian slots? What cost savings have been realized.

b. What is the breakdown of the 4,677 positions requested in FY 1982 budget, i.e., how many sworn officer positions; how many civilian?

c. Do you intend to convert any additional positions to civilian slots? How many and what savings are expected?

ANSWER:
4a. Civilianization is a continuing program wherein police officer positions are converted when it is found that the positions do not require a person possessing police powers. Thirty (30) positions have been converted over the past two years. Most of these positions were converted at the DS-3 level. The average DS-3 salary is $10,236 while the average officer salary is $21,404. The savings for 30 positions amounts to $335,000 per year.

4b. There are 4,121 sworn officer positions and 548 civilian positions.

4c. Conversions in the future depend upon funding of the Department. The civilian authorization has been reduced substantially in FY 1981, thus impairing our ability to convert uniform into civilian positions.

QUESTION:
5. On page FA-19, you show a $60,100 increase which is redirected in from the Field Operations Bureau. However, we do not find the redirection out on page FA-10 where other such redirections are noted.

a. Would you please explain?

ANSWER:
5a. The first line of page FA-10 states "Amounts necessary to fund within grade increases to all Control Centers." The amount redirected out ($119.1 thousands) includes $60.1 thousands redirected out to Inspectional Services Bureau as shown on page FA-19.

QUESTION:
6. Chief, the proposed Metropolitan Police budget for FY 1982 represents about a 5.5. percent decrease from the appropriated level for FY 1981. How will this affect the department's ability to prevent and control crime?

ANSWER:
6. As Chief of Police, I am very congizant of the total fiscal responsibilities and obligations of this city. However, it becomes a matter of resourceful management to obtain optimum benefits from available resources. I accept the available resources, and I intend to utilize them in the most efficient and effective manner. Yet, through the implementation of various managerial innovations, including differential response to calls for service, and directed

high visible foot patrols, I anticipate producing favorable results. My priorities will be directed toward the prevention, reduction and control of crime; I don't expect any degradation of services in providing safety to citizens of the District of Columbia; and I do not anticipate the 5.5 percent decrease in appropriations to have any impact on Departmental capabilities to prevent and control crime.

QUESTION:
7. What is the current response time to 911 emergency calls? What was it last year?

ANSWER:
7. The current response time for priority 1, emergency 911 calls is between 3 to 4 minutes. Priority 1 calls are defined as any serious crime in progress. Examples are burglary, robbery, rape, etc.

The response time last year (1980) was the same response time as this year, 3 to 4 minutes for priority 1 emergency calls.

QUESTION:
8. What do you expect it to be in FY 1982 with 257 fewer officers?

ANSWER:
8. The response time for priority 911 emergency calls will be approximately 3 to 4 minutes in 1982 with 257 fewer officers. The response time for priority 1 emergency 911 calls will not change. The Computer Assisted Dispatching System (CAD), has the potential of prioritizing all incoming calls and dispatching the emergency priority 1 calls as they are received and overriding other non-emergency calls.

QUESTION:
9. Please tell us what policy factors led you to propose a reduction in positions to 3,621 when the Conference Report on last year's appropriations bill indicated that more than 3,800 officers were needed?

ANSWER:
9. The amount of money allotted to the Police Department permitted the full year employment of 3,621 police officers.

QUESTION:
10. In FY 1981 the city has proposed, as part of its effort to finance the potential deficit, that nearly $5 million be transferred from the MPD budget. Your justification materials indicate that the impact will be minimal and steps will be taken to maintain police presence on the street. How "minimal" -- what will not be done now that you would have done under the original budget and what steps will be taken to ensure a presence?

ANSWER:
10. When we speak of "minimal" impact it is in terms of relevance to courses of action available to the Department. Ideally, we would hire the total uniform level as reflected in the budget, however, problems relating to recruitment and not the transfer of funds forced the department to enact counter measures to maintain presence.

More specifically, we were delayed in hiring officers due to a requirement by the Office of Personnel Management to provide a new certified entrance examination. Compounding the problem further is the fact that we have attrited 79 officers since the beginning of the fiscal year.

To compensate for these factors, we implemented high visibility patrol beats during high crime periods and in high crime areas using off duty officers in overtime status. This provides, to a large degree, the presence which would have been available under full employment.

QUESTION:
11. Is the use of overtime a cost effective way to operate a Police Department?

ANSWER:
11. This Department views the prudent utilization of overtime as a cost effective measure by which management can deploy more human resources for assignments by simply extending regular tours of duty or allowing a member to work one of his days off.

Consequently, working officers overtime produces the equivalency of having additional officers, or a higher force level capability, and without the expense of paying additional employee benefits.

However, with respect to reaching the congressional mandate of 3,800 officers, it became necessary to work 200 men per day overtime. Also, at that time, this measure was the only option the Department had for producing the equivalency.

QUESTION:
12. What about the human factors -- is a police officer as alert and effective in the 41st hour as he is in say the 20th or 39th hour per week?

ANSWER:
12. The issue of individual alertness and fitness during a regular tour of duty, or whether overtime places additional stress upon officers is highly debatable, particularly when understanding that stress levels vary among officers.

However, the Department determined that officers welcome the opportunity to work overtime to earn extra income. Each officer who volunteers can work 8 hours overtime per week.

The Department realizes that this option boosts morale and is a means of assisting members offset the effects of inflation and high cost of living.

QUESTION:
13. Do you consider these things when deciding how to cope with budget restraints and personnel levels?

ANSWER:
13. Unquestionably, these are specific considerations which must be addressed during these periods of austere budgeting and reduced personnel levels. Overtime is frequently consumed in providing support operations with federal agencies, particularly in the handling of demonstrations, parades, escort and security of govern-

ment officials. Often these special events and activities cannot be fiscally projected. Large crowds which accompany gatherings such as the Pope's Visit or the Farmer's demonstration are exclusively related to the federal government's presence in the city, but consume considerable amounts of overtime.

Additionally, unpredictable fluctuations in crime require the utilization of special task forces of highly trained officers to be directed into high crime areas.

QUESTION:
14. It is clearly the responsibility of a community to offer protection to its citizens, it is likewise the responsibility of community leaders to offer protection to its police officers. Do you offer flak jackets to your officers? If not, why not?

ANSWER:
14. The Department has 24 flak jackets that are for utilization in emergency situations only. The flak jackets are not to be confused with Soft Body Armor even though both serve an identical purpose. The flak jackets are 1 inch thick, heavy and worn over the outer clothing. They also protect to a greater degree than the soft body armor as they cover more area of the body.

The Department does not provide flak jackets or soft body armor to its members at this time. A study on the utilization of soft body armor is being prepared and a recommendation will be made to the Chief upon conclusion.

QUESTION:
15. Do you have a clothing allowance to help them purchase uniforms? Is there any reason why this couldn't be an allowable expense?

ANSWER:
15. The Department does not have a clothing allowance for its members to purchase uniforms. However, the Department provides uniforms to its members for the purpose of maintaining a high standard of appearance. There is a clothing allowance paid to members who wear civilian attire in the performance of their duties, e.g., Investigators, Detectives, etc. It is an allowable expense that is budgeted by this Department each fiscal year.

QUESTION:
16. What do other cities do?

ANSWER:
16. At this time the Department is not aware of what other jurisdictions do with respect to providing clothing allowances. We will attempt to find out how other jurisdictions handle this situation if further requested.

QUESTION:
17. Chief, since this will be your last appearance before this Sub-Committee, would you share with us the benefit of your experience on the possible causes and solutions to what you perceive to be the major crime problems of the District?

ANSWER:

17. The causes of crime are diverse, and therefore difficult to pinpoint. However, there are many contributing factors. Some of these factors are listed below:

a. Unemployment -- In 1979, the District of Columbia's unemployment rate was 7.5%.

b. Economic conditions

c. Lack of meaningful employment opportunities

d. Variation in composition of population especially age structure

e. Policies of criminal justice system (judicial, correctional, prosecutorial and probational)

f. Recidivism - The recidivist rate for adults in FY 1980 was 24.%. The recidivist rate for juveniles in FY 1980 was 60%.

g. Release on Personal Bond (Bail Reform Act).

QUESTION:

18. One thing struck me as I looked over your program measures. You expect arrests to go up, however, you are budgeting for the same number of police court appearances in FY 1982 as estimated for FY 1981 (62,222). How is that?

ANSWER:

18. Police Court appearances and hours are closely monitored by the Metropolitan Police Department.

This Department is currently phasing into full operation its Computer Assisted Notification System (CANS). This system, when completed, will interface with the U.S. Attorney's Office to notify officers of their scheduled court appearance date, thereby reducing the customary problems associated with court postponements and rescheduling. Completion is scheduled for December 1981.

In addition, the Department has continued its deployment of the Court Monitoring Team. It is the responsibility of this team to enforce strict compliance of officers with scheduled court appearance, arrival time and return to duty.

QUESTION:

19. How much training do D. C. Police Officers receive before they are assigned to the street?

ANSWER:

19. The Department has at the present time a recruit training program of 24 weeks that is comprised of Basic Legal Techniques, Introduction to Law Enforcement, Firearm Safety, Driver's Training, Traffic Enforcement, Human Relations and a rigorous self-defense physical exercise training program.

FIRE DEPARTMENT

STATEMENT OF NORMAN RICHARDSON, FIRE CHIEF

ACCOMPANIED BY:
THEODORE COLEMAN, ACTING ASSISTANT FIRE CHIEF, SERVICES
SHIRLEY A. CURTIS, SENIOR BUDGET ANALYST
FRANKLIN B. MAPHIS, DEPUTY ADMINISTRATOR
EDWARD H. BIRCH, ASSISTANT FIRE CHIEF, OPERATIONS

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. We have now the next witness, Chief Norman Richardson of the Fire Department.

Chief, if you would like to introduce those who are with you?

Mr. RICHARDSON. Yes.

INTRODUCTION OF STAFF MEMBERS

Good morning, Mr. Chairman.

On my far left is Acting Assistant Chief, Theodore Coleman, Acting Chief of Services; Ms. Shirley Curtis, Budget Analyst for the Department; this is Mr. Franklin Maphis on my immediate right, he is the Deputy Director for Administration; and on my far right is Assistant Chief for Operations Edward Birch.

STATEMENT OF FIRE CHIEF NORMAN RICHARDSON

Mr. Chairman, I appreciate the opportunity to appear before you to testify on the Fire Department's budget request for fiscal year 1982.

The Fire Department is charged with the responsibility of providing the maximum protection possible for life and property to the community through the prevention of fire before it occurs, the expeditious extinguishment of fire after it occurs, providing rescue and other appropriate services for emergencies arising from causes other than fire, and providing emergency ambulance service.

To accomplish these responsibilities, the Department has been organized into 50 firefighting companies, 14 ambulance units, a fire prevention division, and various support divisions for administration, communications, apparatus and property management, and training.

The control center fire suppression and ambulance operations funds the units responsible for enforcing the District's fire prevention code, meeting the total demand in the city for firefighting and allied emergency services, and providing emergency ambulance treatment and transportation on demand. Funds to train all program personnel and some personnel from the Federal Government and private sector are also provided in this center.

The control center staff services provides funds for support services to the fire suppression and ambulance operations in the form of administration, communications, apparatus and property supply, and maintenance plus medical cost for injured firefighters.

The appropriation request is for $41,678,300 and 1,512 positions—1,188 firefighters, 157 emergency ambulance service personnel, a 10-person training division, a 45-person fire prevention division, and 112 administrative staff positions. This year's request is only $33,800 more than was allowed for fiscal year 1981. However, debt service is not included in the fiscal year 1982 request; therefore, $823,300 more will be actually available to support the Department's programs. Position authority is the same as for fiscal year 1981. The request will support the current level of service. Personal services funding is $38,712,800 which will be utilized to maintain 275 firefighter work stations in 50 companies on duty at all times; 42 ambulance shifts will be operated each day, with an average of 14 units staffed but the actual number of units on duty at any one time will be increased or decreased according to demand.

Close to full employment will be maintained to minimize the portion of personal service funds that is expended for overtime.

The $2,965,500 in other than personal service funds will be expended to meet the costs that are a natural consequence of carrying on the planned level of operation—33 fire stations and 175 vehicles must be maintained with utility and repair costs.

Material and equipment such as gasoline and first aid supplies must be furnished. And communications cost must be met—$266,300 has been redirected within the other than personal service base and a $204,700 increase is requested to help offset inflation.

Thank you, sir.

Senator D'AMATO. Thank you very much, Chief.

Chief, what plans, what provisions have been made to enhance the ambulances that you now have at your disposal?

AMBULANCE SERVICE

Mr. RICHARDSON. To enhance the ambulances?

Senator D'AMATO. In other words, do you have any additional ambulances or ambulance crews that will be available in the forthcoming budget?

Mr. RICHARDSON. In terms of increasing: The number of the ambulance units that we have in the Department right now is 14. There are no immediate plans to increase beyond that 14-unit level of staffing. However, what we have planned to do is increase the number of mobile medical intensive care units from the current number of three to a level of six mobile intensive care units.

DIFFERENCE IN MOBILE INTENSIVE CARE UNIT AND AMBULANCES

Senator D'AMATO. Could you explain to this committee or explain to me what the difference is between a mobile intensive care unit and the ambulance, and how will that effectively, or how will that deal with the situation in terms of responding to an emergency medical situation?

Mr. RICHARDSON. As far as response time that will not have any appreciable effect at all. What it will do is increase the level of medical attention that we will be able to deliver to a patient or victim on the scene. The mobile intensive care unit is staffed by paramedics who are able to administer drugs, to use the telemetry equipment, that is part of the mobile intensive care unit to stay in constant contact with a doctor at the hospital and to monitor the vital signs of the patient and radio that information back to the doctor who can give advice until the patient has been stabilized and transported to a hospital.

The other type unit we have is a basic life support unit which gives a somewhat lower level of treatment, that is more or less just a stabilizing treatment, wherein wounds are treated, vital signs are taken, and the person is made comfortable in the best position and delivered to the hospital emergency room.

REQUEST FOR ADDITIONAL AMBULANCES

Senator D'AMATO. Let me ask you something. Did you request additional ambulances in your budget?

Mr. RICHARDSON. No, sir; we did not in this particular budget. I would like to point out, though, that in the last fiscal year there was a request approved to add a 15th ambulance for our system. However, in the last year's supplemental that was not allowed by the City Council.

NEED TO IMPROVE RESPONSE TIME

Senator D'AMATO. Do you share a concern for the need to improve response time?

Mr. RICHARDSON. Yes, I do. The nationally recommended response time is about 6 minutes. Closer to 5 is excellent, just about as best that there possibly can be. That is predicated on the fact that within 5 minutes a person, without sufficient life support, that is, breathing and all, can suffer permanent brain damage. So anything less than a 6-minute response time is approaching what most medical experts recommend should be strived for by emergency medical systems.

Senator D'AMATO. Chief, what do you see that can be done to begin to move this area where now I understand we have gone from a situation that was worse or less than adequate and it continues, it would appear to deteriorate if we measure response time. We are now up to 9½ minutes per response. How would we move, or what plans do you have for the balance of 1981 and 1982 if any, to attempt to deal with that? Certainly it would appear that there is nothing in this budget that indicates that you will have the opportunity to deal with that?

Mr. RICHARDSON. That is correct. The 9.5 figure is just a little bit high according to our figures. On the average, from the beginning of the fiscal year, we have an 8.6-minute response time. The 9.5 figure was a particularly high month during that period and it does not, according to our records, reflect what our average response times are. As far as dealing with the problem currently, the Director of the Emergency Medical Service in our Department is developing a recommendation, to be forwarded to me and the Assistant Chief, for on-the-site screening of calls. Under this system an ambulance would be called to the scene. The patient would be examined there and if the complaint was not life threatening or the emergency was not serious enough that it required emergency medical transportation, then that person would not be transported and the ambulance would be returned to service.

Some time ago, I would say somewhere in the neighborhood of 5 or 6 years ago, we attempted to screen calls by telephone. That didn't work out too well. I talked to a number of physicians and they do not feel as though they are qualified to screen a call over the telephone. So we hope to be able to screen on the scene and by those means possibly not be delayed by transporting people who are not in need of emergency medical attention.

Senator D'AMATO. Chief, I won't, then belabor you. I had a question whether or not you would think that the dispatchers should be required to undertake some planning so as to act as a screen, so to speak, but obviously if you have made inquiry and you have spoken to doctors who feel that that would be less than a desirable procedure, I am not going to proceed along those lines, although it would seem to me that maybe some training in that area would give them a feeling to report, No. 1, those which are the most prominent cases and need the most attention and the quickest response.

COMMENDATION OF FIRE DEPARTMENT

Chief, let me say I don't envy your position. I don't envy the position of any leader in an area that faces so much in the way of hazards. It seems to me that the general public does not have the full realization of the Fire Department and the problems that they confront. The police are obviously much more visible. We see the kind of situation that touches our life and friends much more intimately, repeatedly in terms of crime, in terms of the general deterioration. But I have been a member of a volunteer fire company for, I guess, about 17 years. I have always admired those of my friends and colleagues who realize alternatives and a good number of my associates and friends have been paid firemen in various municipalities.

You have got a tough job just by the nature of being in an urban center, by the nature of abandoned structures, whether it is the prank of a kid, or whether one has a raging inferno going and you have got men and equipment that have to respond at the risk of your life. So that is tough enough. But I want to tell you, I don't know how you could handle a situation where you are called upon to run the emergency medical response of the ambulance service in a city of this size, with all the problems attendant, and only have a total of 16 ambulances available, 2 of which you have got to be constantly repairing, 14 on the road. That is absolutely shocking.

COMPARISON OF AMBULANCE SERVICE WITH SURROUNDING JURISDICTIONS

I commend you for trying to do it. But I tell you, and I have got some statistics, and I understand that you know sometimes that reports come up as well-intended as they may be, that may not be accurate to the *n*th degree but I am sure they say Prince Georges County by comparison, relative population is the same, number of vehicles available, 41. You have got 16. That kind of ratio, Fairfax, relatively the same kind of population, 35,000 fewer, I don't have to tell you about the sociological, economic background, so that the calls for emergency medical service—and we didn't go into that—will be a lot less than those that you are going to be experiencing, 21. Montgomery, 35. Chief, I just want to tell you that somehow, someplace, it would seem to me that there has got to be a move to put not only more trained people into the ambulances that you do have and see to it that they have a sufficient training, but also you have got to begin to move in that direction to get more vehicles available.

INADEQUATE NUMBER OF AMBULANCES

I understand working for a Chief Executive and the City Council you can't always ask for the moon, but I think that this is inadequate. You can't say it. But I can say it. The lives of a lot of people, in addition, the working conditions for those 14 crews, have got to be intolerable. You must have some pretty darned dedicated people to keep them out there. That has got to be a terrible thing and that response time, they never know what they are going to get themselves into.

I would like to see you submit something to this committee. We will ask you some detailed questions that I don't think at this point will add anything to the situation in terms of trying to submit to us some kind of movement in the direction to begin to deal with this. I am not saying double it, but that is really what you need, you need to double that service, but certainly to begin to move in the direction to take some of that load off some of the personnel, so they will be able to function even better, more expeditiously with less of a strain.

If you want to make any comment on that, because I don't want to get you into trouble——

MINIMUM NUMBER OF ADDITIONAL AMBULANCES

Mr. RICHARDSON. I don't think that would be a problem. I would like to say I agree with what you said. It is not me. It is basically the dedication of the men and women of the emergency ambulance service that deserve the credit. But given the financial restraints that we are having to deal with in the past few years, we are not able at this time, within the Department's present resources, to increase the number of ambulance units to what we would like to see available. It is our opinion that at least three or four more would be the bare minimum increase that we would like to see.

Senator D'AMATO. Chief, I want to thank you and your associates for coming in and sharing with us your problems. If you have any other concerns that you would like to testify to or your associates, we would be delighted to listen to them.

Mr. RICHARDSON. No, sir. I think that we are sufficiently satisfied, I believe.

Senator D'AMATO. Thank you so much for coming and being with us.

Mr. RICHARDSON. Thank you, sir.

QUESTIONS AND RESPONSES

Senator D'AMATO. I have some questions which I submit for responses for the record.

[The following questions were not asked at the hearing but were submitted for response for the record:]

Questions Submitted by Senator D'Amato

FIRE DEPARTMENT

QUESTION:
1. On FB-2 of the FY 1982 budget request, you show a net change of +$33,800. However, in your discussion under the financial summary section you say that since debt service funds were not included in this budget, an additional $789,500 is also available for department use; staffing remains the same for f/y 1982.

a. Would you provide for the record where the funding previously utilized for debt service will be used in the Department?

ANSWER:
1. On Fiscal 1981 the City distributed the cost of repayment of loans and interest among the individual agencies which benefited from the construction loans. Previous to this, all principal and interest payments had been contained in a separate section of the budget titled "Repayment of Loans and Interest". The distribution was made to more clearly show the total cost of providing various types of services to the public. The agency never exercised control of the funds. The distribution was more in the form of just a memorandum entry. Actual obligation and disbursement was still done centrally. The two memorandums for debt service are $789,500 for FY 1981 and $937,600 for FY 1982. These amounts are not intended to be available to support Fire Department operations.

QUESTION:
2. Since debt service funding is now included in a separate appropriation account (in the amount of $937,600 for FY 1982, FB-16) it appears that the actual increase for the Fire Department for FY 1982 would be $1,760,900 ($33,800 + $789,500 + $937,600). You state on FB-16 that the debt service funding is being transferred out of the Department's FY 1982 budget yet the request shows these funds being redirected within the budget plus an additional $937,600 being requested for debt service.

a. Would you please explain this and exactly how much the Department needs for FY 1982?

ANSWER:
2. The budget before the Committee is a complete expression of the Department's request exclusive of any consideration of debt service. "Repayment of Loans and Interest" is requested in a separate section of the FY 1982 Budget. Reallocation of funding and increased funding are discussed on the Schedule B's in the budget document.

QUESTION:
3. At last year's hearings you testified that the Department was responsible for collecting on ambulance billing. This year's the budget request (FB-9) states that this function had been contracted out.

a. How much revenue do you anticipate that the contractor will collect? What percentage of these collections will go to the contractor? Is the charge for ambulance service still $35? Do you have any statistics on contractor's service to date or has this service been initiated yet? Is the contractor guaranteed a minimum amount or is his payment strictly a percentage of revenue he generates?

ANSWER:
3. The contractor took over the billing August 16, 1980. As of the end of April, the contractor has collected $271,638 for Fiscal 1981. At this rate, we can anticipate about $465,000 for the year. Following is a copy of the contractor's April 1981 report:

ATTACHMENT I

The contractor is paid 30 percent of all they collect from self pays, $4.05 for each Medicaid payment, and $8.10 for each Medicare payment collected.

The charge for each ambulance patient transported is currently $35.00. Starting August 1, 1981 a multiple fee schedule will be instituted. Basic transportation will cost $55.00. Advanced life support will cost $70.00. And in the cases where an ambulance is called but no one is transported, the fee will be $25.00.

QUESTION:
4. On p.406, one of the program measures shows ambulance responses at a level of 99,700. In earlier testimony the Mayor stated that in many cases the ambulance service was being used as a taxi service--that is--no real emergency was involved.

a. What is being done to discourage use of the ambulance as "taxi service"?
b. Do you maintain records to show whether there is a pattern of non-emergency calls?
c. Is it possible to increase the charge to an individual when a call proves to be of a non-emergency nature?
d. Has the Department done anything to educate the population of the potential hazard when emergency vehicles are called for non-emergency purposes and a real emergency develops?
e. When will the dispatchers receive emergency medical training?

ANSWER:
4. a. The Department has tried several times to establish a telephone screening process but it is just not feasable. Even doctors say they are unable to make an acceptable judgement over the telephone. We are now trying to develop a process where screening can be done by the ambulance crew once they arrive on the scene. The process will have the added advantages that the crew will be actually able to observe the patient and take his or her vital signs. Crews can have their observations evaluated by a doctor at the hospital through radio telemetry. This system will still require that an ambulance be dispatched to the scene but it will save time when patients are not transported. And perhaps some abusers will stop calling when they find that they will not be transported.

Probably, we will not get a completely satisfactory solution to the abuse problem until we have alternatives that the non-emergency patient perceives as an acceptable solution to his or her medical problem.

b. We do not maintain records on non-emergency calls. Whether or not a particular incident is an emergency or not is a judgement subject to many differences of opinion. To systematically record these judgements might prove to be an unnecessary legal liability.

c. The City is planning to institute a different charge for calls where the patient is not transported when our ambulance rates are raised August 1, 1981. Perhaps this in combination with on-the-scene screening will effectively be a charge for non-emergency calls. However, we still have the problem of making a definative decision in all cases and the additional problem of who actually called the ambulance and is responsible for the charge.

d. The City is considering a lot of proposals to improve its ambulance service and this hazard is frequently publicized in the dialogue. The news media is also giving it frequest coverage in the course of covering the debate. But, the Department does not have the regular program to educate the public to the dangers inherent in using ambulances for non-emergency purposes.

e. Presently eleven out of twenty two dispatchers are certified Emergency Medical Technicians. We intend to train others as time and money permits.

QUESTION:
5. The city's budget cuts are already beginning to take their toll in services which could affect the life and safety of citizens and visitors. The City has no more full time rescue squads. It is my understanding that rescue squads are most valuable during the first critical moments of a fire, when their crews search for people who may be trapped. They also carry special tools and equipment not available on most other units.

Before this cutback five (5) firefighters were assigned to a rescue squad and five more were assigned to each fire engine company. Under the present "combination system" only five firefighters are assigned to an entire station. Thus ... when the engine company is on a call the rescue squad is out of service, and when the rescue squad is on a call ... the engine is out of service. What this means is that in case of a fire, a serious accident, an emergency in a downtown high-rise, trouble on METRO, there now is a good chance that the rescue squad with its specialized equipment might not be immediately available during those first critical minutes of a fire or emergency.

a. Chief, do you view the restoring of the rescue squad to full status as one of your priorities?
b. Does this budget reflect any additional funds to accomplish that goal and restore them to full status? If no - why not?

ANSWER:
5. a. Yes, I would like to have the rescue squads back on a full time basis, but I also recognize that the City must live within its means, therefore, I think we must stick with present arrangements for now. We do have four part-time squads where we only had three full time ones. That helps mitigate the problem some.

b. The budget does not reflect any funds to restore the squads to full time status because as I have said, the City must live within its means and we cannot afford it right now.

QUESTION:
6. The Fireboat John Glenn protects over 43 miles of waterfront and is a vital link in the event of an air/water emergency occurring at National Airport. In addition, thousands of tourists are transported by local sightseeing companies to nearby Mt Vernon, Virginia via large boats - and in the event of an emergency the Fireboat John Glenn would be their first line of rescue. Also thousands of gallons of jet fuel (JP4) are transported up river by barge to National Airport and is a potential hazzard.

We understand that the Mayor has transmitted to the City Council a resolution to reduce the staff of the Fire Boat John Glenn from five men to two - and that some members of the City Council feel that the boat should be closed? What is your position on this, the only fire boat in the Metropolitan area? Would closing this unit, or reducing the manpower be in the best interest of safety for the citizens and visitors to the Nation's Capitol?

ANSWER:
6. Reducing the on board staff of the fire boat to two and then before dispatching it sending a land company to board the boat and fill out the crew was a proposal considered by this department to help make the budget savings necessary in Fiscal 1981 only. It would not have been the best plan, only an accomodation to effect the saving. The boat would have actually operated with a crew of seven instead of the present five. It is my position that the fireboat should be fully manned at all times and is a very much needed unit of this department if we are to retain the responsibility of adequately protecting the waterfront.

QUESTION:
7. On March 30th President Reagan was the target of an assassin's bullet. During the course of the follow up investigation it was learned that:

1. No paramedic units were available to assist at the Washington Hilton had they been needed.

2. The ambulance on stand by at the Hilton was staffed with one Emergency Medical Technician and one Firefighter who was not qualified to be in the ambulance.

I should like to ask the following questions concerning Presidential details and the Ambulance Service.

a. Why doesn't the Fire Department provide a paramedic unit in the motorcade?

b. What steps have you as Chief taken to insure that only qualified personnel are riding City ambulances?

c. Does your budget reflect any additional funds or make recommendations that would allow this service to be made available to the President?

ANSWER:
7a. The President has his personal physician with him who would actually treat him. The ambulance is intended only as a facility for the doctor's use.

7b. The Department only assigns people who are EMT certified to ambulance duty. There is an on going program to recertify people whose cards are about to expire. The individual whose EMT card had expired approximately three months prior to the incident was done so inadventently due to a clerical error.

7c. The budget does not reflect any change from current practice.

QUESTION:
8. Emergency Ambulance Service

a. Chief Richardson, we are concerned about the apparent trend in one of your vital services, that of emergency ambulance response. Recent press articles indicate that it takes nearly 10 minutes from the time a call is received until help arrives. This is bad enough, but the troubling part is that the trend is that the response time is getting longer. How will your FY 82 Budget Request help reduce that response time?

b. The surrounding jurisdictions average less than half the District's response time. Why is that and can you learn something from the way they do business out there?

c. One thing the other jurisdictions have is more equipment. The District has less than half of the number of ambulances as the surrounding counties yet makes double the emergency runs. That would seem to add up to poorer service - what is your response?

d. Another aspect of this service concerns a lack of medical supplies. Has this been corrected or do you still have to borrow supplies from area hospitals?

e. What kinds of supplies do you lack? What happens if you need them and don't have them?

f. What about the training of these specialists. It is reported that the City will lose $30,000 in Federal grant funds June 30, 1981 unless a training program is established. What are you doing to capture those funds and do you have a training program?

g. When will the paramedics lost their certification if they do not receive the required refresher training?

h. Are all ambulance personnel trained in the use of and familiar with all of the equipment they carry?

ANSWER:
8a. Our latest figures estimate that the average response time is running about 8.2 minutes. The time varies some depending on the period measured. The budget as it is presently before you does not contain any additional resources to reduce that time.

8b. I think the composition of the population in surrounding jurisdictions and their needs are so different from the District's that there is very little that is significantly comparable.

8c. The District does not give poorer service, if anything I feel as though it is better.

The problem as I see it is the lack of sufficient units to deliver the service timely. This can be relieved by:

1. Additional units.
2. Public education to reduce abuse.
3. Screening on the scene to reduce out of service time.

8d. The Department has established the position of Medical Supply Coordinator which has as a full time job monitoring the level of ambulance supples. This person circulates among the units inventorying and restocking them from his supply van. The coordinator and his van are also available to respond to any major disaster with a large stock of extra supplies.

The supply situation was never out-of-hand as was reported in the press, however, this new position should prevent the occurrence of any such misunderstanding.

8e. There are no supplies lacking. If a unit runs low on a particular item, the Supply Coordinator is available to immediately resupply it.

8f. The entitlement to the $30,000 in Federal grant funds has been secured by the start of the first class for Intermediate Emergency Medical Practitioners April 20, 1981. Twenty Intermediate EMT's are expected to graduate May 28th. A second class of twenty will run from about September 14, 1981 through October 24th.

8g. Paramedics are recertified every 24 months. If they have not received the required refresher training, they would lose their certification at that time. However, there is an on going training program so we do not anticipate any paramedics losing certification because of lack of training.

8h. Ambulance personnel are trained to use all of the equipment on their units.

QUESTION:
9. Also on the subject of training, I note that firefighters currently receive only 6 days of training before being assigned to an Engine Company. What is the normal training period and what don't you teach in 6 days that you would in a longer instruction period?

a. When will this situation be corrected?

b. What is the status of other in-service training, has it been kept up?

c. We understand that the instruction course for new recruits at the Fire Department Training Academy has been reduced from a high of 10 weeks (which included Emergency Medical Training) to its present state of six days - and that although the Department has stated their desire to send the recruits back to the Academy for the full instructional course - this has not happened in over a year. (1-80). Is this an effecitve way to train new recruits? Does this budget reflect any additional funds to be designated for the Training Academy?

ANSWER:
9. The six day course is an introduction to the highlights of basic fire fighting. It concentrates on safety and the use of basic fire fighting tools and techniques for forcible entry, search and rescue, hose layouts, ladder use, and salvage. At the end of the course, appointees are given an introduction to practical structural and chemical fire fighting. None of the subjects are covered in the depth that they are in the regular 50 day course. Completely omitted are subjects like emergency medicine,driver training, aerial ladder operation, hydraulics, and fireground strategy and tactics.

9a. Presently there are 74 recruits who have had only the six day course. We hope to have them all trained by the end of Fiscal 1982.

9b. We are able to keep up with most in-service training by having companies go to the Training Academy while they are on duty or having the instructors go to the individual fire stations and present the course. Also, it is the company officers responsibility to conduct a great deal of training. We have recently developed a great deal of slide and film training aides to help in this process.

Where we have difficulty is when we need to free a particular group from their company units in order to give them some specialized training. This is what is occurring with the new recruits. They cannot be given their probationary training while working as a member of a company unit. Supervisory training for new officers is another example. We have not had the funds needed to replace these people at their units while they attend class.

9c. The Department's preference is to have all recruits fully trained before they report to their companies. As I have said we hope to have the backlog trained by the end of Fiscal 1982.

There are no additional resources for the Training Academy in the budget. However, the staffing pattern in the Fire Fighting Division of 4.32 positions per work station provides 4.23 days a year for training. This takes care of the training required to maintain the operation when we are fully staffed, but it does not provide anything to relieve the backlog.

QUESTION:
10. The City's Emergency Ambulance Service, run by the Fire Department, has been described the medical community as being "among the worst in the nation". The average response time for an ambulance is twice the national average and the former ambulance Chief Ramon Granados quit after 22 years in the Fire Department, charging the City with ignoring "dangerously slow ambulance response times" and critically low supplies. A random check by the Washington Star (week of Feb. 15th) showed ambulances out of such basic supplies as adhesive tape and bandages, as well as such critical life-saving

equipment as oxygen masks, airways (to allow air into lungs) and electrodes for attaching electrocardiogram wires.

A report from the Mayor's Emergency Medical Services Advisory Committee describes the ambulance service as "understaffed, increasingly slow and suffering from chronic shortages of vital supplies. This committee consists of medical experts, appointed by the Mayor from all areas of health care.

a. Does this budget before us address any of the concerns raised by the former ambulance chief? - or the Mayor's Emergency Medical Services Advisory Committee?

b. How much additional money would be needed to bring the ambulance service to a satisfactory level of operation?

c. Have you asked for additional funds? Why not?

ANSWER:
10. I would not characterize our ambulance service as "among the worst in the Nation". I think the critics have somewhat overstated their case. I will say, however, for the resources available to handle the workload, our ambulance service is "the busiest in the Nation". The reports of the Star were grossly exaggerated and inaccurate as I personally conducted an inspection the following day and found no evidence to support these charges. The report alluded to by the Committee was their first draft,after reconsideration it was extremely modified. We have spent a lot of time on criticism so let me outline some of the positive things that have been done in the past two years.

- All positions were reclassified and raised an average of two grades to insure our ability to attract and retain qualified people.

- Two new units were added in FY 1980 to help reduce response time. There would have been three if funding had been approved.

- The available staff was reorganized to provide additional administrative support and a second street supervisor was added.

- Communications was reorganized to increase efficiency in handling calls.

- We started dispatching firefighting companies to serious calls when the ambulance was delayed so that life saving skills and equipment are on the scene within minutes.

- Training and licensing of Intermediate Emergency Medical technicians is underway.

I think the City has been doing a great deal, within its available resources, to improve the delivery of emergency ambulance service. The major problem is that those resources are limited and the Mayor has been trying to live within them so we have not been able to have everything we needed.

The Mayor and the City Council continuously have before them the needs of the EAS along with those of many other programs.

10a. The budget before you does not fund any of the still unmet needs - several proposals are now under consideration that will.

10b. A minimum of one million dollars.

10c. I would prefer to wait until they are approved before being more specific about additional needs.

A. REDIRECTION OF FUNDS

QUESTION:
1. Please explain the redirection of $266,300 in the other than personal service category? Where does it come from and where does it go?

ANSWER:
1. Prior to the D.C. Retirement Reform Act (PL 96-122 dated 11/17/79) the District paid retired fire fighters pensions on a pay-as-you-go basis through the Fire Department's budget. The Act established a funded pension system outside of the Department's budget and most pension cost were dropped from the budget, however, $58,000 to repay retirement deductions to those members who separate from the Department before retirement remained in the budget base.

In 1980 the City decided to contract out the billing for emergency ambulance service which had been done by the Fire Department. At first the contractor was to be paid from Fire Department appropriated funds, however, later it was decided to pay billing cost directly from the revenue raised by the billing effort so the $105,000 in the budget base to pay the contractor became surplus to that need.

Medical cost for fire fighters injured in the performance of their duties has showed a downward trend over the past few years, therefore, we have reduced funding for outside medical cost by $90,300 and for prescription by $13,000.

The $266,300 thus made available has been redirected to meet the increased cost of operating our programs. Most - $232,700 went to fund energy cost, the balance of $33,600, went to several miscellaneous administrative costs. There is a detailed explanation on the Schedule B's in the budget document.

B. OVERTIME

QUESTION:
1. Page FB-4 shows that you intend to hold overtime to less than half of the FY 80 amount in FY 81 and 82. What is your current experience and estimate for FY 81? What about for FY 82?

ANSWER:
1. The City plans for the Fire Department to operate at as close to full employment as possible in Fiscal 1982 hense the reduction in overtime funding reflected in the budget. This would reverse the trend that has been prevalent in the recent past where the number

of vacancies was allowed to increase anticipating program reductions. When the program reductions did not materialize, large amounts of overtime had to be used to maintain the current program level.

Overtime for Fiscal 1981 will continue to be high because at the end of FY 1980 the District offered early retirements to all of its employees. Forty two fire fighters took advantage of this in addition to the 125 who retired regularly. The replacement of these people has been slow because at the same time the District took over from the U.S. Office of Personnel Management responsibility for examining and recruiting its own fire fighters. Tooling up for this process has been slow and there are still some unresolved questions. Hopefully we will be at full employment for Fiscal 1982. However, through April in FY 1981 $1,549,557 has been expended for overtime and we anticipate that rate will continue for the balance of the year raising overtime cost to about $2,600,000.

C. PROGRAM MEASURES

QUESTION:
1. How is it that fire alarms on Page FB-5 are expected to remain the same in FY 81 and 82 as in FY 80?

ANSWER:
1. Program plans should be based on studies of fire loss over ten to twenty years - never less than five - which detect protracted trends rather than short term fluctuations, therefore, we do not feel that the three years shown in the budget document are individually significant and we have tried to show that we do not expect any significant change in the fire loss trend over the three years as a consequence of the budget plan.

QUESTION:
2. Why does the value of inventory remain the same in FY 1982 as in FY 1981? How much of this is medical supplies? Because of inflation aren't you really reducing the amount of supplies? Explain how this affects public safety?

ANSWER:
2. The major part of the inventory is fire fighting and ambulance vehicles, tools, and appliances which are carried on the books at their purchased price, not revalued each year for inflation. Supplies for a particular year are usually purchased and expended in that year. Supply inventories are kept at a constant level by replacing what is used as it is used. The budget contemplates continuing a constant program level, therefore, no significant change in inventory requirements. This is about $28,000 worth of medical supplies in the system at any one time.

QUESTION:
3. On Page FB-8 you note that the cost of fuel for fire trucks and ambulances was $1.25 per gallon in December, 1980 and is expected to rise to $1.50 per gal. by July, 1981 - Is this still the current estimate?

ANSWER:
3. The Department of General Services estimated the average price for gasoline between October 1980 and May 1981 to be $1.18 per

gallons, however, as of June 1st, premium gasoline which is required for fire apparatus, was $1.31 per gallon. Based on this, I think our estimate is still good.

The Fire Department purchases gasoline through an annual contract for the whole D.C. Government which is let through competitive bid. The present contract is through November 30, 1981.

QUESTION:
4. This price per gallon seems high. How were these figures derived? How does the Department purchase this fuel, by competitive bid or contract? If so what is the duration of the contract?

ANSWER:
4. Estimated unit costs are based on the actual costs of requirement for the same period divided by actual receipts plus an inflation rate derived from table 7, "Producer Price and Price Indexes for Refined Petroleum Products", published monthly by the U. S. DOL, Bureau of Labor Statistics.

D. EMS SUPPORT

QUESTION:
1. On page FB-19 emergency medical service support shows a revenue budget of $67.8 Million in FY 80 and nothing in FY 81 and 82. Why is that?

ANSWER:
1. The correct figure is $67,800. This was Federal grant money for EMS to purchase life paks for $31,800, design, supply and evaluate a new ambulance reporting form for $6,000 and the Emergency Medical Technician tuition money, $30,000, that was in danger of being lost as we spoke of before.

We cannot anticipate at this time any more funding for Fiscal years 1981 and 1982.

E. CAPITAL PROGRAMS

QUESTION:
1. What are the details of the fire apparatus replacement program? What is being purchased, how much is for replacement and what for new capability equipment?

ANSWER:
1. Since FY 1978, the Department has purchased its major fire fighting apparatus through the Capital Budget. Each year five (5) pumping engines and one (1) aerial ladder truck are programmed for replacement. Every other year either a rescue squad wagon or a chemical truck is purchased. Five (5) rescue squad wagons are purchased to every one (1) chemical truck causing a 12 year replacement schedule for both types of vehicles. The annual pumper purchase replaces about seven (7) percent of 75 vehicles in the pumping engine inventory after each has had a service life of between 15 and 16 years. Aerial ladder trucks are replaced one at a time after a service life of 22 years.

All of this equipment is to replace apparatus already in service. It is not of radical new design, however, it is considerably improved over the 16 to 22 year old apparatus it is replacing. The pumps on the pumping engines are larger, the engines are deisel with automatic transmissions, and the aerial ladders are much stronger for example. These innovations and others increase the flexibility in our fire fighting operations considerably.

QUESTION

2. Improvements at various locations in a new start in FY 81 totaling $1,556,000. Where will these improvements be made and is this the total cost or are there future costs?

ANSWER:

2. This is a breakout of the Fire Department's share of an on going permanent improvements program. Formerly all City permanent improvements were consolidated in the Department of General Services budget as Project 24-99. The Fiscal 1982 request contains funds to replace fire station roofs and heating and air conditioning, funds to refurbish the water tank at the Training Academy, and to remodel one older fire station. Future years will contain similar requests.

F. FY 81 REPROGRAMMING

QUESTION:

1. It is proposed the $940,000 be reprogrammed from the Fire Department in FY 81. Why is this possible?

ANSWER:

1. The Mayor has proposed to the City Council a supplemental budget plan to balance Fiscal 1981 spending with revenues. In order to do this he has had to propose certain reductions in on going programs. In the Fire Department this would require the closing of two fire stations and two battalion headquarters, reducing the fire boat crew from five to two, abolishing the ADP and Community Relations sections and reducing staff in the Fire Prevention and Training divisions.

QUESTION:

2. Will this reduce the number of companies from 50 to 48? What about in FY 82?

ANSWER:

2. The plan would reduce the number of companies from 50 to 48 for at least the balance of Fiscal 1981. The plan had not specifically spoken to Fiscal 1982 yet, however. The Fiscal 1982 budget before you contains funding for the full 50 companies.

QUESTION:

3. How will this affect the response time to marine fire in minutes?

ANSWER:

3. Response time for the fire boat will probably be increased by about two minutes.

QUESTION:

4. By terminating fire prevention counseling services, what effect will this have on the number of fires and the total cost of property damage in FY 81 and 82?

ANSWER:

4. Any reduction in the fire prevention effort will have a long term affect of increasing fire loss because of less attention to compliance with the fire codes. The number of violations in existing and new construction can be expected to increase because of this inattention but it is impossible to put a specific quantitative value on the amount of increase.

DATACOM SYSTEMS CORPORATION

EAS GENERAL ACTIVITY REPORT

APRIL 1, 1981 - APRIL 30, 1981

	M-T-D	M-T-D VALUE	%	Y-T-D	Y-T-D VALUE	%
FORMS 151 RECEIVED	6,988	$ 244,580		53,084	$ 1,857,940	
NON-BILLABLE FORMS						
POD'S	23	805	.3	208	7,280	.4
INSUFFICIENT INFO	180	6,300	2.6	1,414	49,490	2.6
NO TRANSPORT	2,733	95,655	39.1	19,744	691,040	37.2
TOTAL	2,936	102,760	42.0	21,366	747,810	40.2
TOTAL BILLABLE FORMS	4,052	141,820	58.0	31,718	1,110,130	59.8
RETURNED MAIL	240	8,400		4,550	159,250	
TOTAL COLLECTIBLES	3,812	133,420		27,168	950,880	
COLLECTIONS						
MEDICARE	55	1,495		285	7,755	
MEDICAID	215	7,525		3,270	114,450	
MEDICARE/MEDICAID	19	556		88	2,483	
SELF-PAY	738	25,284		4,265	146,950	
TOTAL	1,027	34,860		7,908	271,638	

QUESTION:

1. Recent press accounts indicate that the District intends to purchase 3 new ambulances. The total cost of the program is $948,000. Of that amount $395,000 is for the purchase of the vehicles. The remainder, $553,000, is for the additional gasoline, parts and equipment, and the 36 additional EMT's. Would you provide schedule of when these vehicles will be operational and a breakdown of the $553,000 for the record?

ANSWER:

1. The Mayor has submitted to the City Council Amendments to the Fiscal 1982 Budget which contain $948,000 to fund three additional ambulance units, three ambulance mechanics, and medical consultation and supervision services for the Emergency Ambulance Service. The attached "Detail of Adjustments to Appropriation" form shows how these funds are broken down.

The units are funded for ten months. The Fire Department intends to place them in service as soon after approval as possible. Anticipating approval we have accelerated and expanded our Fiscal 1982 recruitment and procurement program to accomodate the expanded program. We anticipate now that the three ambulances will go in service in December.

QUESTION:

2. You have also indicated that at the current rate of 259 ambulance calls per day you will have 94,700 calls this year, a 6% increase over 1980. Do you have plans to reduce the number of calls such as increasing the fee collection rate, or possibly screening calls?

ANSWER:

2. The ambulance fee will be increased starting August 1, 1981. The basic transport charge will be raised from $35.00 to $55.00. Two new fees will be added at this time. An additional $15.00 will be charged those who receive advanced life support and $25.00 will be charged those who call an ambulance but are not transported.

The Department has tried several times to establish a telephone screening process but it is just not feasable. Even doctors say they are unable to make an acceptable judgement over the telephone. We are now trying to develop a process where screening can be done by the ambulance crew once they arrive on the scene. The process will have the added advantages that the crew will be actually able to observe the patient and take his or her vital signs. Crews can have their observations evaluated by a doctor at the hospital through radio telemetry. This system will still require that an ambulance be dispatched to the scene but it will save time when patients are not transported.

Perhaps some abusers will stop calling when they find that they will not be transported. Perhaps this in combination with a fee when not transported will effectively be a charge for non-emergency calls. However, we still have the problem of making a definative decision in all cases and the additional problem of who actually called the ambulance and is responsible for the charge.

ANSWER:

2. Probably, we will not get a completely satisfactory solution to the abuse problem until we have alternatives that the non-emergency patient perceives as an acceptable solution to his or her medical problem.

★ ★ ★ FY 1982 AMENDMENT
$ THOUSANDS
GOVERNMENT OF THE DISTRICT OF COLUMBIA

DETAIL OF ADJUSTMENTS TO APPROPRIATION

AGENCY: Fire Department

Control/ Responsibility Center	Programmatic Item of Adjustment	Object Class	FY82 Budget Request		FY 82 Revised Request		Amendment Adjustment	
			Positions	Amount	Positions	Amount	Positions	Amount
	3 Additional Ambulance Units							
01	Staff Services							
0102	Fire Detection; Communications							
	Basic radios mobile & portables	70	...	63.7	...	74.2	...	10.5
	Life Pack Telementry	70	...	.....	...	45.0	...	45.0
	Radio & Life Pack Maintenance	40	...	2.7	...	4.2	...	1.5
								57.0
0103	Apparatus Management							
	Ambulance Vehicles	70	...	290.0	...	395.0	...	105.0
	Gasoline	30	...	400.0	...	428.8	...	28.8
	Auto repair parts	20	...	350.0	...	359.0	...	9.0
	First aid equipment	70	...	21.2	...	36.2	...	15.0
	3 WG-10 Mechanics	11	25	396.5	28	449.5	3	44.2
		14	...	45.2	...	51.0	...	4.8
								206.8
0104	Property Management							
	Uniforms	20	...	80.0	...	94.4	...	14.4
	First Aid Supplies	20	...	68.1	...	83.1	...	15.0
								29.4
02	Fire Suppression and Ambulance Operations							
0202	Emergency Ambulance Service							
	36 Emergency Medical Technicians, DS-8	11	157	2,678.5	193	3,261.4	36	485.7
	Premium Pay	13	...	147.1	...	214.0	...	55.7
	Employee Benefits	14	...	78.2	...	142.3	...	53.4
								594.8
	Medical Consultation & Supervision Services	40	...	.....	...	60.0	...	60.0
	TOTAL						39	+ 948.0

OBRD 5/81

DISTRICT OF COLUMBIA DEPARTMENT OF CORRECTIONS

STATEMENT OF DELBERT C. JACKSON, DIRECTOR

ACCOMPANIED BY:

WILLIAM D. GOLIGHTLY, ASSISTANT DIRECTOR FOR ADMINISTRATION

JAMES W. FREEMAN, ASSISTANT DIRECTOR FOR CORRECTIONAL SERVICES

PATRICIA P. TAYLOR, ASSISTANT DIRECTOR FOR COMMUNITY AND WOMEN'S PROGRAMS

INTRODUCTION OF STAFF MEMBERS

Senator D'AMATO. The subcommittee welcomes Mr. Jackson, Director, of the District of Columbia Department of Corrections.

Mr. JACKSON. Thank you, Mr. Chairman.

Good morning.

Senator D'AMATO. Good morning.

Mr. JACKSON. I would like to identify those people that I have with me from my staff.

On my right, Ms. Patricia Taylor, Assistant Director for Community and Women's Programs; on the end at my right, Mr. George Holland, Superintendent, Detention Services, which is our jail; and on my immediate left, Mr. William Golightly, Assistant Director for Administration; and the last, Mr. James W. Freeman, Assistant Director for Correctional Services for all our centers where people are incarcerated.

PREPARED STATEMENT

I am going to take the liberty of not reading the entire opening statement.

Senator D'AMATO. You may highlight your statement. The complete statement will be inserted in the record at this point.

[The statement follows:]

STATEMENT OF DELBERT C. JACKSON

It has not been my usual practice to provide an opening statement, preferring to simply make myself and staff available to answer questions. However, these are not "usual" times in the District of Columbia.

The budget before you represents our judgment, as of last summer when it was formulated, of the most responsible means of performing our mission with a substantial reduction in resources. It will not permit "business as usual", nor was it intended to do so. It reflects the Department of Corrections' contribution to the District of Columbia's paramount goals of fiscal integrity and governmental efficiency and productivity.

The total FY 1982 appropriated request is for $72,513,200 in operating funds, and authority for 1781 positions. This funding level will fund an average of 1704 employees. This represents an increase of $7,491,300, an increase of 14 authorized positions, and a decrease of 63 funded positions. At the same time, a major assumption of this budget is that we would begin operation of a women's facility at Lorton. This is an increase, in our operating scope. Major categories of increases include inflation ($1.6 million), adjusted estimates by D.C. General Hospital of the cost of providing steam to the Detention Center ($1.3 million), maintenance needs long neglected due to a lack of resources ($525,000), specific underfunded areas in supplies and materials such as food ($350,000) and medical supplies ($140,000), and the need to restore funding redirected out of equipment into energy in the FY 1981 Amendment ($276,000).

The single largest increase ($3.1 million) is to provide for the support of the growing portion of the D.C. prisoners population housed in the Federal Bureau of Prisons. The escalating Federal man-day costs also contribute to this need. For example, the FY 1980 cost per person per day was $35.64. The first quarter FY 1981 cost was $39.39 (+10.5%). For this budget we are projecting a deceleration in this rate of increase, based on the Federal Bureau's steadily increasing population. This request assumes a man-day cost of $40.11 (+2%) in the FBP and a population, after removal to the District of 150 women, of 833.

The budget would provide for many unquestionable benefits. It would fully fund this agency's other than personnel services operating needs for the first time in years. The chronic underfunding of the Federal Bureau of Prisons has been practicularly troublesome. If the FBP planning assumptions upon which the budget is based can be met, the necessity of supplemental requests each year to fund prior year shortfalls should be eliminated. Providing for equitable treatment of female offenders is another positive impact planned in this request. It also brings us into compliance with court orders in two of our facilities (Maximum and Detention).

However, these benefits have been achieved through substantial reductions in administrative and program staff (-77 positions), and were based on population projections which we have since had to question. This budget eliminates funding for Executive Services (except for one position) and Planning and Program Analysis. Fifty percent reductions are required in the program staff in Detention Services and Data Processing. Other reductions in financial and engineering areas are also planned. The absorption of these losses will, at the very least, present a grave challenge to management.

Of even greater concern to me is the impact of population pressures on the plan to open a women's facility. This budget assumed that the combined adult and youth population at Lorton would not exceed 2311, and that certain legal constraints on housing mixes and housing capacities could be reconsidered. However, as of Tuesday, the relevant population had reached 2403 and is still rising. We are experiencing the same increase the Federal Bureau and other neighboring jurisdictions are seeing. There are efforts now underway in the District to explore the possibility of the increased use of alternatives to incarceration. However, given the prevailing public mood and the time required to implement some of these steps, our search in this area may not be too fruitful. If the present population trend continues, the District will be sore pressed to honor its FY 1982 commitment to female prisoners, and at the same time provide decent housing within the confines of court mandates to present wards.

BUDGET REQUEST

Mr. JACKSON. The fiscal year 1982 budget represents a total appropriation request of $72,513,200 in operating funds and authority for 1,781 positions. Unfortunately, this funding level will fund only an average of 1,704 employees. This represents an increase of $7,491,300, an increase of 14 authorized positions, and a decrease of 63 funded positions, unfortunately.

PLAN TO HOUSE FEMALE PRISONERS

In the fiscal year 1982 budget, I think one instance that is of note is that we are also charged with the responsibility to replace one of our Federal youth correction facilities, Youth Center 2. Unfortunately, due to the increase in population in all of our institutions, this has come down to being an impossibility. So I would say that very likely there is going to be some change to be reflected in the fiscal year 1982 budget, because at this juncture, based on our previous experience, the possibility of opening a female facility as described and prescribed in the 1982 budget is not very likely to occur at that particular location.

Senator D'AMATO. What would the implications on the budget be?

Mr. JACKSON. If I recollect, there was $2.5 million set aside for the Youth Center 2 enclosure and the absorbing of those females in the Federal prison system to return to this jurisdiction. We are exploring other options and other alternatives in that regard.

Senator D'AMATO. Will there be any fiscal implication as a result of not being able to move ahead with this woman's facility?

Mr. JACKSON. I think it will be fiscal, programmatic and operationally inherent and what we are hoping to do, but as I indicated earlier, there are other options open to us that we are presently exploring.

The major problem is—I am sure this impacts on all jurisdictions—the overcrowding problem in this city as well as our surrounding jurisdictions.

Senator D'AMATO. How long do you anticipate it will take to complete that women's facility, and again getting back to the fiscal implications, if any, what will it cost, the failure to have that facility in fiscal year 1982? Will there be an additional increase in costs to the system?

Mr. JACKSON. That would be funding for approximately 8 months operation at best. That is simply primarily a startup operation, startup costs, and for the personnel to administer it. There will be additional costs. If you annualize it in fiscal year 1982, the $2.5 million we are not able to utilize for that purpose. Obviously it will have to be reprogramed.

IMPACT OF DECREASE IN ADDITIONAL POSITIONS

Senator D'AMATO. Are there any other areas that you would like to bring to our attention that may be of special concern?

Mr. JACKSON. I think that obviously the decrease in authorized funding positions is going to have a severe impact on the programmatic thrust of the Department. Those 77 positions represent for all practical purposes the heart of the administrative area.

Senator D'AMATO. I notice in the supplemental justification you have been having trouble, or the system has been having some difficulty attracting and retaining correctional officers. You make note of that. Why is that?

Mr. JACKSON. We have not experienced that degree of difficulty with correctional officers.

Senator D'AMATO. The reprograming of the $549,000, half million by the Department, is because the buildup of the authorized staff complements for fiscal year 1981 has been slower than anticipated. This is due mainly to the high turnover in correctional officers' positions. You go on further to say that in fact this reduction will result in increased demand for existing staff to provide security and support services. That is in the fiscal year 1981 supplemental, page 36 of the request. Is that true? Do you have difficulties? Are there, for example, outstanding civil service problems?

Mr. JACKSON. No; the larger problem that we experienced was, there was a freeze on all hiring and at that particular juncture there was a large turnover of correctional personnel coupled with the reduction in force. That imposed an intolerable burden on the system. But we have no difficulty in attracting correctional officers as such.

ELIMINATION OF PSYCHOLOGICAL COUNSELORS

Senator D'AMATO. In fiscal year 1982 you show an elimination of individual psychological counseling. Is that a function that would be handled by someone else, transferred? How do you see the impact of that?

Mr. GOLIGHTLY. I believe you are talking about at the Detention Center. Those are a portion of the impact cuts that were made in bringing our budget in line with the mark presented to us by the District. There are a number of other programmatic cuts at the Detention Center which were made comparable to that.

We chose this particular method of trying to accommodate the District's mark. In the Detention Center you have people that are more transient than they are at Lorton and consequently we can better afford to make the programmatic cuts there than we can for the more stable population at Lorton.

Senator D'AMATO. I will submit some written questions to you and some detail in regard to fuel, in regard to some other matters that you indicated in terms of reduced funding of various positions, et cetera, rather than hold you now. I will submit them for the record and give you an opportunity to respond to them. So I can then make them available to the entire committee.

If you have anything else or any exigency that you would like to point out in connection with the operation, we would be delighted to listen. If not, I thank you very much for coming.

Mr. JACKSON. Thank you very much, Mr. Chairman.

QUESTIONS AND RESPONSES

Senator D'AMATO. I have some questions which I submit for responses for the record.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

DEPARTMENT OF CORRECTIONS

QUESTION:
1. On p. FL-07, you state that there will be no monitoring of the University of the District of Columbia program in which Department residents are enrolled.

a. Please explain?

ANSWER:
1a. There is not sufficient funding in the FY 1982 request to cover all personal services for the 1781 positions authorized. The specific positions which would be unfunded (77) were identified earlier as part of our budget formulation process, by setting priorities. One of the positions identified was that which has responsibility for monitoring the Prison College Program.

QUESTION:
2. On p. FL-10, you show a base available for energy to be $3,718,800. However, on p. FL-8, you show a base figure of $3,604,400.

a. Please explain?

b. Also, on p. FL-10, you show a base cost for auto fuel and utilities of $3,718,800. Please explain?

ANSWER:
2a. The object class 30 - Energy, Communications, and Building Rent - is displayed on page FL-08 (Schedule 5) as three subdivisions; 30a, 30b, and 30c. Energy (30a), is $3,604.4, Communications (30b) is $102.2, and Building Rent (30c) is $12.2, for a base available in this object class, 30, of $3,781.8. This figure matches the base available displayed on page FL-10, (Schedule B1) as specified, at the object class level.

2b. The base available is displayed, as designated on page FL-10 (Schedule B1), at the object class level.

QUESTION:
3. On p. FL-13, you state that reduced funding will require vacating 27 positions, but on p. FL-14, you show an increase of 1 position over FY/81.

a. Please explain?

ANSWER:
3a. One position, for a correctional officer, was redirected from Correctional Services to Detention Services to partially satisfy a Court order. While positions requested for Detention Services total 512, funding requested will support only 485 of these positions, leaving 27 unfunded.

QUESTION:
4. How will this new budget request affect the number of prison guards?

ANSWER:

4. The Department of Corrections has requested, in the FY 1982 budget, authority for 1,110 correctional officers. This represents an increase of 31 correctional officer positions over FY 1981. Of this increase, 17 positions are in response to court-ordered correctional officer staffing levels at Maximum Security and the mental observation unit at the Detention Facility. The remaining increase of 14 correctional officer positions was to supplement staffing for a population increase due to the return of female D.C. Code violators from federal institutions as planned in this submission of the FY 1982 budget.

QUESTION:

5. An article in the Post, dated 3/4/80, quotes Mayor Barry as saying the Department of Corrections has been overspending.

a. Would you please comment?

b. Does this budget request deal with the problems encountered in FY 1980 so that overspending will not be a problem in FY 1982?

c. What does your activity to date look like for FY 1981 in terms of obligations versus appropriations? Is there a problem this year?

ANSWER:

5a. The Department suffered a severe financial crisis during fiscal year 1980. Funding in the areas of personal services, energy and Payments to the Federal Bureau of Prisons was not adequate to meet our requirements. Corrections employment level on October 1, 1980 was 1934, the Congressional authorization. However, funding was not available (1788 funded) to meet this need and a reduction in force was implemented during the Spring of 1980. Our end of the year on-board strength was 1632. The Department ended FY 1980 with a deficit.

5b. Seventy-seven (77) of the positions requested in the FY 1982 budget are unfunded and will be kept vacant during the year. The Federal Bureau of Prisons account is fully funded for a projected population of 833, and our energy request should be adequate to meet our projected needs.

5c. Our projected personal services costs for the remainder of FY 1981 will fall within the funding available. A request for Federal Bureau of Prisons additional cost per man day has been made in the FY 1981 Supplemental. This will be adequate to cover our current need. Projected energy costs fall within our available budget.

QUESTION:

6. I notice in your supplemental justification material that you appear to be having trouble attracting and retaining correctional officers. Why is that?

a. What steps do you intend to take in the remainder of this Fiscal Year and in 1982 to correct those problems?

b. This obviously puts a greater strain on the staff, How does this affect morale and productivity?

ANSWER:
6. The Department of Corrections has, over the past year, experienced a significant decline in its correctional officer staffing. The Department underwent a reduction in force, a freeze on hiring and promotions, and encouraged early retirement which increased the normal rate of correctional staff terminations. These staff reductions, and the resultant increased workloads, in all likelihood promoted additional resignations. However, the rate of attrition seems to have leveled off and returned to a more normal rate.

The difficulty which has recently been encountered is in filling correctional officer vacancies in a timely fashion. This seems to be due primarily to the time-consuming process required to receive authority to fill vacancies, post vacancies, screen applicants, and hire. There may also have been some difficulty in attracting sufficient numbers of qualified applicants who meet District of Columbia residency requirements.

6a. The Department has received a temporary exemption of the residency requirement in order to fill vacant positions in its Lorton, Virginia institutions and offices. This has increased the pool of possible applicants for correctional officers positions. As of this writing requests have been made to fill 150 vacant correctional officer positions. Of these 84 have been filled, 36 are in the process of recruitment, and 30 are awaiting approval from the Office of Budget and Resource Development. Difficulties in the response time of the Office of Personnel to the Department's requests to fill vacancies are being addressed by that agency's management.

6b. Due to the reduction in force, hiring freeze, and high rate of retirements and resignations experienced last year, and delays in filling vacancies this year, the workload of currently on-board personnel has greatly increased. The morale of all Department personnel has generally been poor. There has been no formal evaluation on whether or not the quality of performance has been negatively impacted. It has become necessary to eliminate functions which do not have high priority in many areas of the Department.

QUESTION:
7. In FY 1982 you show an elimination of individual psychological counseling. Is this function being transfered to another agency or totally eliminated?

a. What has this counseling consisted of?

b. Was this provided to inmates as a normal service or by court order?

c. With this action and a reduction in religious services, where will these men turn for emotional and spiritual guidance?

d. It could be that these actions would increase tension among inmates with no outlet for those feelings, thus creating a problem of discipline. How will you cope with that eventually?

ANSWER:

7. Individual psychological counseling will not be available at the Detention Facility. The three (3) psychologist positions there have been identified to be unfunded. There is no plan to transfer the specific functions of these positions to another agency at this time.

7a. The counseling heretofore provided includes the following: crisis intervention, group therapy, individual therapy, evaluations for parole, sentencing, furlough, and work release, and referral for psychiatric services.

7b. This particular service has been provided as a normal functional of Department institution operations. There is a specific court-ordered program for psychiatric services to be provided to residents assigned to the mental observation unit at the Detention Facility. These services are provided by Department psychiatric nursing staff and Department of Human Services Forensic Psychiatry staff and will continue.

7c. Due to the Department's limited financial resources, only the highest priorities can be addressed. Since institutional security is the Department's highest mandate, it was decided to sacrifice staffing of program and administrative functions rather than correctional staffing which is already at a less than desirable level. It was also determined to make these cuts in services to short-term residents (detainees) rather than in services to long term sentenced incarcees at Lorton. While substituting volunteers to perform program functions would be a likely alternative, there is inadequate staff to supervise such individuals and coordinate activities. However, as much volunteer religious and counseling services as can be responsibly permitted will be encouraged. Furthermore, both correctional officers and classification and parole officers have the provision of counseling services to inmates as part of their job descriptions. This is not presented as providing an adequate level of service. There are seventy-seven (77) program and administrative positions through-out this Department which were funded in FY 1981 but must go unfunded in FY 1982 for this Department to live within its budget.

7d. The Department is fully cognizant of the ramifications of inadequate administrative, program and security staffing. Any additional disciplinary problems which may be created by this situation will be handled according to policies and procedures currently in effect. These specify response to, and sanctions for, individual and group infractions of institution rules and regulations and disturbances. There are also contingency plans for supplemental assistance from other agencies in the event of massive disturbances.

DISTRICT OF COLUMBIA RETIREMENT BOARD

STATEMENT OF FRANK HIGGINS, CHAIRMAN

RETIREMENT ISSUES

Senator D'AMATO. We have a final statement here from Frank Higgins, Chairman, District of Columbia Retirement Board.

Is Mr. Higgins here?

Mr. HIGGINS. Yes. I am here.

Senator D'AMATO. Mr. Higgins, as I have indicated to you, we were just advised of your appearance yesterday late in the afternoon. I am delighted you are here. I do have your statement. Obviously it pertains to a number of very important significant issues and relates to more than just the fire and police and is something that I would like to have the opportunity—teachers, judges, various retirement funds—to have my staff meet with the budget people, meet with the Mayor in his office so that we might have an opportunity to direct to you those questions that we think are important and need some amplification.

I am delighted that you are here. I will take, for the record, your statement.

Mr. HIGGINS. I will be delighted to do so, sir. Thank you very much.

Senator D'AMATO. If in the meantime we begin to develop some of those questions, I am going to ask my staff to contact you personally so that you can give us the benefit of your thoughts.

Mr. HIGGINS. Thank you. I would be glad to do so.

PREPARED STATEMENT, QUESTIONS, AND RESPONSES

Senator D'AMATO. Your prepared statement will be inserted in the record at this point. I submit some questions for responses which will also be included in the record.

[The statement and the following questions which were not asked at the hearing but were submitted for response for the record follow:]

STATEMENT OF FRANK A. HIGGINS

My name is Frank A. Higgins. It is a pleasure to appear before the Committee in my capacity as Chairman of the District of Columbia Retirement Board. I was appointed to the Board by the City Council and elected as the Board Chairman by the other 10 Board members.

The principal reason I was selected by the City Council was for my prior experience in the field of pensions and pension administration which covers more than twenty-five years. For several years I was Fund Director of the International Association of Machinists National Pension Fund here in Washington, which covered in excess of 200,000 participants and retirees, had over 3,000 contributing employers and assets in excess of $200,000,000. My experience also includes several years as an Industrial Relations Executive in the Sperry Rand Corporation where I was responsible for pension administration.

Before I begin my remarks on the actual budget issues facing the District of Columbia Retirement Board and the City's Police and Fire, Teachers, and Judges' Retirement Funds, I believe that it would be helpful for me to offer the Committee a brief overview of the Board and its operations to date.

As you are aware, the District of Columbia Retirement Board was created by Public Law 96-122, which was enacted on November 17, 1979. Following the completion of the election and appointment processes under the Act, on January 28, 1981, the Board was installed and began functioning on February 6, 1981. Our earliest effort was directed toward the establishment of several working committees of the Board which permitted us to begin initial operations and create a calendar of priorities affecting our statutory obligations under the new law.

One of the Board's highest initial priorities was to conduct a search to retain necessary professional advisors to assist us in discharging our obligations under the Act. In that regard, the Board recently selected as its Counsel, James D. Hutchinson of the Washington, D.C. law firm of Steptoe & Johnson. Mr. Hutchinson was the first Administrator of the U.S. Department of Labor's Pension and Welfare Benefit Programs under the Employee Retirement Security Act ("ERISA") and guided that agency and the private pension sector through the early days of ERISA in the development of operating regulations and standards of fiduciary conduct which that law placed on private sector employee benefit plan sponsors. The D.C. Retirement Board has been placed in a similar fiduciary position and, rather than reinvent the wheel, the Board thought that it would be advisable to seek the services of an individual who has traversed the same or similar terrain before.

Our more recent efforts have been directed toward securing the professional services of an Enrolled Actuary, which should be completed within the next several weeks, an Accountant, and an

Investment Manager to manage the assets of the three Funds over which we have custody and control. We recently have engaged the American Security & Trust Company as an interim custodian and short-term cash manager until the Board's Investment philosophy is fully developed and a search to find competent long-term investment managers for the assets of the D.C. Retirement Funds has been completed. We also have acquired our first fulltime staff member and have opened the search for our Executive Director. By mid-Summer we hope to have our full staff in place. In addition, we have just completed our search for office space to house our initial operations and moved into this space this past Monday.

In my testimony today, I will be addressing two primary issues. The first is the Board's administrative budget. The second is the operating budget for the City's retirement Funds. The Board was not formally constituted until well after the budgets, both the administrative budget and the pension operating budget for Police and Fire, Teachers, and Judges already had been reported to the City Council, approved by the Mayor, and submitted to the Congress.

The Board's early analysis of the Administrative Budget has led us to conclude that there is a need for an increase in the level of funds presented in the documents before you today. As the Committee is aware, we are statutorily mandated to engage professional assistance to manage and account for the funds under our control -- in beginning to discharge this responsibility it is clear to us that the costs for those services will be more than the original estimates made in preparing the budget last year. Other items in the original budget were underestimated because the scope of the effort that would be necessary to properly discharge our statutory obligations to the active employees and pensioners of the District of Columbia could not be factually appreciated at the outset. This is not said to denigrate the efforts of those who performed the initial task of estimating our budget needs. Rather our views reflect the fact that the complexity and cost of the tasks at hand -- for example, the staggering cost of paying investment management fees for the management of over $150 million in assets -- probably was not completely appreciated at the time when initial budget preparations were undertaken.

Insofar as the operational budgets for Police, Fire, Teachers and Judges, pension payments are concerned, the Board has been trying to obtain accurate information on the recently reported shortfall of funds to make pension payments during Fiscal 1981. Up to this point in time, we think we have gotten much, perhaps all, of the raw data to assess the conclusions reached by the Mayor and his staff with respect to the shortfall of $23 million dollars reported in the Press and in the record of the House

Committee on the District of Columbia. We are still analyzing this information to evaluate its ultimate impact on Fiscal Year 1981.

The Board has temporarily engaged an enrolled actuary to review the actuarial work done by the U.S. Treasury Actuary to determine the impact of the reported shortfall on Fiscal Year 1982, update the records necessary to generate a more accurate base for present calculations and to ensure future accuracy, recast, if need be, the actuarial assumptions to more closely reflect contractual obligations of the City with its employees who are participants in the Plans, and revise the operational needs of each of the City Departments to meet pension obligations and payments during Fiscal Year 1982. The Actuary's work at this time will assist in providing a better base for our Fiscal Year 1983 budget needs which must be in place within the City operational structure by July 30, 1981.

I have with me personnel who can answer questions with respect to how the budgets for pension payments in 1982 were generated, and I will be glad to answer any questions you may have with respect to the D.C. Retirement Board.

QUESTIONS SUBMITTED BY SENATOR D'AMATO

RETIREMENT BOARD

QUESTION:

1. The revised 1982 budget includes a request for $674,000 for the Retirement Board. What was the Board's request to the Mayor? The Mayor's request to the Council?

ANSWER:

The operating budget of the District of Columbia Retirement Board is formulated in accordance with section 121(f) of the District of Columbia Retirement Reform Act (P.L. 96-122), which states:

> "(1) All administrative expenses incurred by the Board in carrying out this title, including compensation for the members of the Board, shall be paid out of funds appropriated for such purpose.
>
> "(2) The Budget prepared and submitted by the Mayor pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act shall include recommended expenditures at a reasonable level for the forthcoming fiscal year for the administrative expenses of the Board.
>
> "(3) The Mayor and the Council may establish the amount of funds which will be allocated to the Board for administrative expenses, but may not specify the purposes for which such funds may be expended or the amounts which may be expended for the various activities of the Board."

Since the District's FY 1982 Budget process began in March 1980 and the District of Columbia Retirement Board was not established until January 28, 1981, the Board's 1982 Operating Budget ($312.7 thousand), formulated by the D.C. Office of Personnel, does not reflect the budgetary needs of the Board. Many expenditure items in that budget were grossly underestimated or omitted because the cost of resources necessary to properly discharge the responsibilities of the Board could not be factually appreciated and understood at the time the original Budget was prepared.

The Board's Operations Committee, based on consultation with public retirement plan administrators and contacts with consultants and vendors who will provide technical services to the Board and a detailed review of the statutory responsibilities under P.L. 96-122, has identified $1,348.3 thousand as the resources needed to operate in FY 1982. Consequently, the Board submitted to the Mayor a revised FY 1982 appropriation request of $1,348.3 thousand. This represented an amendment item request of $1,035.6 thousand to be included in the FY 1982 amendment package. However, the Mayor, in his May 20, 1981 budget transmittal to the Council, recommended that only $361.3 thousand of the Board's amendment item request be included in the FY 1982 Budget Amendment Act. Thus, the revised FY 1982 appropriation request recommended by the Mayor for the D.C. Retirement Board is $674.0 thousand, which is $674.3 thousand less than the amount requested by the Board.

Attached is a breakdown of the various items which the Board considered essential to fulfill its responsibility under the law. Based upon the total budget approved ($674.0 thousand), the Board would be unable to meet the anticipated cost of providing the services of investment managers.

The Board attempted to determine from the Office of Budget and Resource Development which items among those submitted by the Board were eliminated and the reason therefor. We have not been told that the budget submitted was not reasonable, but rather, that having allowed 100 percent over the original budget ($312.7 thousand), OBRD feels that the amount it recommends is all the City's current revenue position could afford. Based upon that amount, we cannot fulfill the statutory obligations placed upon the Board.

FY 1982 DISTRICT OF COLUMBIA RETIREMENT BOARD OPERATING BUDGET REQUIREMENTS

OBJECT CLASS	OBJECT		BUDGET APPROVED BY COUNCIL	BOARD REQUIREMENTS	AMENDMENT REQUEST
		I. PERSONNAL SERVICES:	$171,320	$235,400	$(+)63,080
11	111	1. Regular Pay-Continuing Full-time (5 F.T. employees)	136,267	165,000	(+)28,733
12	124	2. Regular Pay-Other (Board Members)	20,214	50,400	(+)30,186
		3. Fringe Benefits			
14	141/142/152	a. Regular Pay @ 10% Payroll full-time	13,626	16,500	(+) 2,874
14	148	b. Reg. Pay-Other @ 6% Part-time Board	1,213	3,500	(+) 2,287
		II. OTHER THAN PERSONAL SERVICES:	$141,373	$1,110,674	$(+)969,302
20	201	1. Supplies and Materials	$ 1,650	$ 4,000	$(+) 2,350
		2. Energy, Communications, Building Rent	$ 13,000	$ 9,674	$(-) 3,326
30	309	a. Rental office space 1,000 sq./ft. @ $11 per sq./ft.			
30	308	b. Telephone Service @ $200 per employee			
40		3. Other Services and Charges	$121,722	$1,084,000	$(+)962,278
40	411	a. Printing (Intra-District)	4,000	60,000	(+) 56,000
40	409	b. Printing (Contractual)			
40	416	c. Postage	(1,500)	20,000	(+) 18,500
40	402	d. Travel (Out of City)	(1,500)	5,000	(+) 3,500
40	408	e. Actuarial Services	(25,000)	39,000	(+) 14,000

OBJECT CLASS	OBJECT	II. OTHER THAN PERSONNEL SERVICES (CONTINUED)	BUDGET APPROVED BY COUNCIL	BOARD REQUIREMENTS	AMENDMENT REQUEST
40	408	f. Investment Management scvs.	(55,722)	$750,000	$(+)694,278
40	408	g. Custody of Funds Services	(33,400)	60,000	(+) 26,600
40	408	h. Legal Counsel Costs		90,000	(+) 90,000
		i. Consultants		30,000	30,000
		j. Auditors		30,000	(+) 30,000
		4. Equipment and Furniture	$ 5,000	$ 13,000	$(+) 8,000
	TOTAL FY 1982 OPERATING BUDGET:	D.C. Retirement Board	312,692	1,346,074	$(+)1,033,382

EXECUTIVE OFFICE
OFFICE OF EMERGENCY PREPAREDNESS

QUESTION:

1. On page BN-3 of the FY 1982 budget request you state that one of your programs is to maintain stocked emergency shelters in the City and conduct inspections of emergency shelter supplies.

a. How many stocked shelters are there within the City?

ANSWER:

1a. There are 705 buildings in the District that contain fallout shelter supplies.

QUESTION:

b. How many people could be accommodated in these shelters and for approximately how long?

ANSWER:

1b. Approximately 450,000 people could be accommodated in these "stocked" shelters.

QUESTION:

c. How often are inspections made of the supplies within these shelters?

ANSWER:

1c. Each building is inspected once every two years. Building owners may request a special inspection at any time and we will respond within five days.

QUESTION:

d. How often are supplies within these shelters turned over?

ANSWER:

1d. There is no "turnover" of supplies in the shelters. The Federal Government has not purchased or provided any new supplies since the original stocks were placed in the shelters in 1963-1965.

QUESTION:

e. Does your budget include funds to cover replacement supplies? If not, where do replacement supplies come from?

ANSWER:

1e. There has never been any District of Columbia funds authorized to purchase civil defense shelter supplies. As stated in "d" above, there are no replacement supplies for this program.

QUESTION:

f. What is the approximate value of supplies that must be thrown away?

ANSWER:

1f. The approximate value of the shelter supplies has been estimated at approximately $2.10 per shelter space. Therefore, if we dispose of supplies for 100 people, the value of the supplies would be $210.00.

QUESTION:

g. Please describe the Emergency Operations Center at Lorton. How far is it from the City? Does it provide any protection in the event of a nuclear attack on Washington?

ANSWER:

1g. The Emergency Operations Center at Lorton, Virginig is located on the grounds of the Youth Center#1, in the basement of the Diagnostic Center. It contains complete communications systems to Federal, regional, state, county, and District emergency service agencies. Its primary function is to serve as a relocation site for the District Government in time of nuclear attack, or other large scale disaster in the city that would render local facilities unusable. It is located approximately 18 miles from the center of the District.

If it were to be fully utilized, the present inmate population would be moved to another facility and we would use the entire facility for continuity of government operations.

Many of the buildings contain adequate fallout protection against radioactive fallout. There is also fairly good blast protection in the operations section and communications rooms since they are located underground on three sides. The entire facility is built in a valley surrounded by hills, which would offer good protection from blast and heat effects of a weapon detonated on or over Washington.

PUBLIC DEFENDER SERVICE

QUESTION:

1. Your FY 1982 budget request (FE-02) reflects no increase over FY 1981 and you state that this appropriation will allow the Service to continue all essential functions, with no growth potential. The decrease in average full time employment associated with the FY 1982 appropriation will result in a decrease in agency caseload yet the program measures and clientele shown on FE-02 reflect increases in all areas except attorney representation

a. Would you please explain where the decrease in agency workload appears within this chart?

ANSWER:

a. The FY 1982 budget submission is based upon the assumption that current personnel and their accompanying costs will continue into FY 1982. In the Investigations and Offender Rehabilitation Divisions, the rate of employee turnover is very low. Therefore the workload increases shown on the chart on FE-02 are based upon the presumption that employees increase in competence and efficiency with continuous employment in the same position.

The workload increases reflected for the Service's Appointment of Counsel Program are based upon a projection of the criminal caseload of the Superior Court for FY 1982. The Service is required by law to interview all defendants/respondents to determine their financial eligibility for appointed counsel, and to process all appointments. If in a given fiscal year the workload in this section were such that the current staff were unable to fulfill their responsibilities during normal office hours, overtime would be required to meet the mandate of the legislation.

The decrease in average fulltime employment will have its impact on attorney representation. This division of the Service has the largest attrition rate. In order to meet the budgetary strictures of decreased average employment it will be necessary to hold open vacant positions for long periods of time. The decrease in workload shown on the chart on FE-02 assumes first the increase in productivity which occurs with experience, less the projected impact of fewer positions in fulltime average employment.

QUESTION:
b. What is the amount of Other Than Personal Service costs, due to inflation, that will have to be absorbed by the Service? Would you provide a list of the items/amount affected?

ANSWER:
b. Assuming a 10% rate of inflation in the majority of areas, primary affected items are:

Office Supplies	$2,510.00
Telephone Service	2,890.00
Equipment (law books)	2,030.00
Transcripts	9,000.00
Expert Services	4,000.00
	$20,430.00

The Service makes every effort to reduce its other than personal services costs through researching the open market for the least costly vendors. However, the Service cannot control some areas of expenditures, e.g., telephone service rates, and the rates of court reporters which are established by the court.

PRETRIAL SERVICES AGENCY

QUESTION:
1. On FF-3 (Vol.I, page 490) you state that the FY 1982 planned funding level will enable the agency to continue operating, on a 24-hour basis, the citation release program. You state that, to the extent this program results in the release of arrestees who would otherwise be detained, a significant cost savings could be realized by eliminating costs of housing, feeding and transporting arrestees to court. In the narrative on p. 490 and on FF-4 (491) the amount requested is erroneously stated as $1,282.4 thousand instead of $1,262.4 thousand.

a. Have you any estimates of the savings that could be attributible to this program? How many arrestees are we talking about?

ANSWER:
1a. Approximately 5000 arrestees are released annually through the citation program. This procedure provides for the early release shortly after arrest for those charged with misdemeanors. While there has been no an-

alysis of the savings realized by the city through this program, they are substantial. The immediate savings result from reduced transportation costs from the police district to the central cell block and from a reduction in the number of prisoners who must be housed and fed until they can be taken to court. Further savings are realized in available police time. Prior to the implementation of the program, a great deal of a police officer's time was spent in court waiting for a prosecutor to "paper" the case. Much of this time was compensated at overtime rates. Now, officers can schedule all of their arrests for a week on the same day, avoiding the necessity of coming to court after each arrest.

QUESTION:
1b. Which department or agency would benefit by reducing these costs?

ANSWER:
1b. The Metropolitan Police Department

QUESTION:
1c. Would these reductions be reflected in the particular agency's budget request?

ANSWER:
1c. No. The citation program was implemented in 1968. Now, almost all elegible cases are routinely processed in this manner.

QUESTION:
1d. What is the success rate of this agency i.e. how many individuals released under the auspices of this agency actually return for trial? How many jump bail and what is done in these cases?

ANSWER:
1d. There are two important measures of a pretrial services agency's success: 1) the quality and timeliness of information it makes available to bail-setting judges; 2) the degree to which it is able to assure the return to court of those granted release. Based on its success in achieving these objectives, the D.C. Pretrial Services Agency has been recognized by the U.S. Department of Justice as an "Exemplary Project," a program designed to identify and use as models particularly effective approaches in the field of criminal justice.

With respect to the first measure, the quality of information available for judicial decision-making, the Agency annually interviews and provides reports on over 20,000 arrestees. These reports contain information on a defendant's family and community ties, as well as a complete history of prior criminal involvement. An integral part of the report is a recommendation, which sets forth any indications that the defendant's release may pose a risk of flight or community safety, and a plan to minimize these risks consistent with the law.

As to the second measure of success, the rate of return to court, the follow-up services provided by the

Agency have assured a high appearance rate of around 95% This appearance rate is particularly remarkable given the relatively high release rate (in comparison with other cities) of the District of Columbia. The success can be attributed to the post-release supervision conducted by the Agency. This includes written reminders of court dates, telephone checks, and supervision of release conditions specifically designed to assure the defendant's presence in court. Approximately 93 to 96 percent of all court appearances are made by the defendant. If a defendant is not present when the case is called, an investigation is begun immediately, and over half of these cases are brought to court within a few hours or days. Experience has shown that most late appearances are for excusable reasons (including lack of notice or court date error) and only about 1 to 2 percent of defendants willfully fail to appear in an attempt to avoid prosecution. For those who flee, a warrant is issued. These warrants are not served usually except if the defendant is arrested on another charge. The warrant, however, could be served if time and resources permitted.

BOARD OF PAROLE

QUESTION:
1. Your FY 1982 budget request (DD-4) reflects a decrease in personal services (3) and a net budget decrease of $[illegible]6,700 for pay relating to eliminated positions. On DD-[illegible] you state the planned reductions in FY 1982 will require a change in the way in which the Board records hearings. You go on to say that these reductions will continue a more intensive caseload by Parole Analysts but this will be offset by removing certain of their duties and responsibilities.

a. What changes are being instituted regarding the way Board hearings are recorded?

ANSWER:
a. In previous years all Board hearings were recorded by shorthand notation (stenotypy). Now a combination system of shorthand notation and tape recorder is being implemented. The tape recorded method requires skilled typists for transcription but does not require the further specialized skill of stenotypy. Revocation hearings are recorded by Court Reporters (DS-8) and parole hearings by Clerks (DMT) (DS-5).

QUESTION:
b. Is this an improvement over the way hearings were previously recorded?

ANSWER:
b. Yes, this is resulting in a fiscal savings in the Board's budget. It has also resulted in a shorter turn-around between the time of the hearing and availability of the completed transcript.

QUESTION:

c. What duties and responsibilities are being removed? What impact will the removal of these duties and responsibilities have on the overall functions of the Parole Analyst? What exactly is the function of a Parole Analyst?

ANSWER:

c. In previous years Parole Analysts prepared the members' notebooks for hearings and accompanied members to hearings. At these hearings they performed an essentially clerical administrative task. These tasks consumed about twenty-five percent (25%) of the worktime of each Parole Analyst. The removal of these tasks enables the Parole Analyst to carry an increased workload of cases; three Parole Analysts now handle the caseload previously carried by six. The Parole Analysts review cases before presentation to the Board for adequacy of appropriate documentation. They also follow up on Board actions that require more than standard processing.

QUESTION:

d. What impact will the elimination of three (3) positions have on the workload of the Parole Analysts? Were these three (3) positions Parole Analysts or administrative positions?

ANSWER:

d. The three (3) positions being eliminated should not have an adverse impact on Board operations. One (1) of the Board's purely administrative positions is being eliminated.

COMMISSION ON JUDICIAL DISABILITIES AND TENURE

QUESTION:

1 a. How many members make up the Commission and how are they selected?

ANSWER:

1 a. The Commission consists of seven members. One is appointed by the President and must be a lawyer. Two are appointed by the Board of Governors of the District of Columbia Bar; they must be lawyers. Two are appointed by the Mayor of the District of Columbia, one of whom shall not be a lawyer. One is appointed by the Council of the District of Columbia, and shall not be a lawyer. One is appointed by the Chief Judge of the United States District Court for the District of Columbia, and must be an active or retired Federal judge serving in the District.

QUESTION:

1 b. How long are the terms of appointment?

ANSWER:

1 b. The term of office of the President's appointee is five years. The terms of the others are six years.

QUESTION:

2 a. Does the Commission finding constitute the final position?

ANSWER:
2 a. See answer to 2b.

QUESTION:
2 b. Are there any appeal procedures?

ANSWER:
2 b. With regard to the Commission's disciplinary function, a judge aggrieved by an order of removal or retirement filed by the Commission may seek judicial review by filing a notice of appeal with the Chief Justice of the United States. The notice of appeal must be filed by the judge within 30 days of the filing of the order of the Commission in the District of Columbia Court of Appeals.

Upon receipt of the notice of appeal from an order of the Commission, the Chief Justice shall convene a special court consisting of three Federal judges designated from among active or retired judges of the United States Court of Appeals for the District of Columbia Circuit and the United States District Court for the District of Columbia.

The special court reviews the order of the Commission, decides all relevant questions of law and interprets the constitutional and statutory provisions. Within 90 days after oral argument or submission on the briefs if oral argument is waived, the special court shall affirm or reverse the order of the Commission or remand the matter to the Commission for further proceedings. Decisions of the special court are final and conclusive.

Commission findings on evaluations of sitting judges for reappointment are not reviewable.

QUESTION:
3 a. How long does the Commission operate?

ANSWER:
3 a. The Commission operates on a twelve month basis and usually meets once a month.

QUESTION:
3 b. Are there any emergency meetings? If so, how are members compensated?

ANSWER:
3 b. The Commission has found it necessary on some occasions to schedule special meetings in addition to the regular meetings. Members of the Commission, other than the Federal judge, are compensated for each meeting they attend. Compensation is at the daily equivalent of a grade GS 18.

QUESTION:
4 a. How in-depth does the Commission review the financial reports of the judges?

ANSWER:
4 a. A staff member reviews the report of every judge and brings to the attention of the Chairman any unusual or unexplained matters.

QUESTION:
4 b. What types of data included in the reports would cause the Commission some concern?

ANSWER:
4 b. The Commission is more concerned with failure to report material than with any particular data which might be included. It is fair to say, however, that reports of substantial gifts or indebtedness involving parties in litigation or likely to be, would cause concern.

JUDICIAL NOMINATION COMMISSION

QUESTION:
1 a. How are the members of the Commission selected?

2 b. How long do they serve?

ANSWER:
1 a. The members of the District of Columbia Judicial Nomination Commission (seven in all) are selected as follows: one member is appointed by the President of the United States; two members (who must be lawyers) are appointed by the Board of Govenors of the unified District of Columbia Bar; two members (one of whom must not be a lawyer) are appointed by the Mayor of the District of Columbia; one member (who must not be a lawyer) is appointed by the Council of the District of Columbia; and one member is appointed by the chief judge of the United States District Court for the District of Columbia.

1 b. The term of the member appointed by the President of the United States is stated in the governing statute to be for five years. The term of all other members is stated in the governing statute to be for six years.

QUESTION:
2. What types of information, discovered in the background investigation, would cause a candidate to be eliminated from consideration?

ANSWER:
2. The Commission has not adopted any policy statement in this area, or ever made any formal or informal articulation concerning this matter. The articulation here made in answer to the question represents the views only of the Commission's Chairman, based upon his analysis of the governing statute and his observations and experience since being on the Commission from its inception.

If, during a background investigation, information were uncovered showing that a candidate did not meet one or more of the statutory requirements set forth in the governing statute (D.C. Code Ann. §11-App.-433(b)), that would almost certainly cause a candidate to be eliminated from consideration. Additionally, if information were developed during a background investigation which showed that the candidate had been convicted of a felony or an offense involving moral turpitude, such information would very likely also cause the candidate to be eliminated from consideration, if for no other reason than the fact that such a conviction would affect the candidate's ability to continue to be a member of the unified District of Columbia Bar, which is one of the statutory qualifications of eligibility for the candidate to be considered in the first instance. Whether any other information (such as, for example, an indication of past tax "difficulty", or many unfavorable recommendations, or reports concerning possibly questionable social behavior, etc.) would cause a candidate to be eliminated from consideration would be decided on a case by case basis, taking into consideration all of the facts and circumstances.

QUESTION:
3. How is your budget affected if there are more vacancies than anticipated?

ANSWER:
3. Every organization's budget is of course affected when it is required to expend funds. The Commission is required to expend funds: (1) when it has meetings (since by statute members of the Commission are entitled to be paid when they meet); (2) when the Commission is required to investigate applicants who want to be considered for judicial appointment (the Commission hires investigators on a per diem basis to perform the investigations); (3) for various expenses, such as xeroxing, messenger service, postage, etc.; and (4) when the Commission's only employee (a part-time administrative aide (typist)) performs work, or when the Chairman is required to handle budget, administrative and other such matters for the Commission outside of meetings (for which activities the Chairman is compensated on an hourly basis). If an unanticipated vacancy occurs, experience has shown that the Commission must have at least two meetings (in order to solicit names, discuss possibilities, listen to reports of investigations, interview candidates and make final decisions), which causes a Commission expenditure. In addition, unless a sufficient number of candidates from prior considerations remain available, new candidates must be brought into the process and investigated. Our investigators must therefore be activated and paid for their time. Also, there is always some small amount of xeroxing, mailing, messenger and other expenses associated with the filling of every vacancy. And, the time of both the Commission's administrative aide and its Chairman is increased whenever a vacancy occurs. The Commission's experience has been that its expenditures have increased somewhere between $3,000.00 and $6,000.00 per vacancy when unanticipated vacancies occur. There are some economics of scale that have been realized if more than one unanticipated vacancy occurs at the same time.

D. C. LAW REVISION COMMISSION

QUESTION:

Can you explain the relationship between the Commission and the District's Office of Intergovernmental Relations? It seems that both of these organizations are heavily involved in the revision of the District's criminal law.

ANSWER:

The Law Revision Commission was created by statute as an independent agency representing a broad spectrum of the community. Its primary duties are to examine the common law and statutes of the District and relevant judicial decisions and recommend needed reforms; to receive and consider changes proposed by learned bodies, judges, justices, public officials, lawyers, and the public as to defects and anachronisms in the law; to recommend such changes in the District's law as are necessary to modify or eliminate antiquated and inequitable rules of law; and to bring the laws of the District, both civil, administrative, and criminal, into harmony with modern conditions. See Pub. L. 93-379, D.C. Code, §49-402 (Supp. V, 1978); D.C. Law 3-119. The Commission recently completed a comprehensive revision of the great majority of the criminal laws of the District and, additionally, is developing a D.C. Administrative Procedure Manual and commencing the revision of the civil laws of the District.

The Office of Intergovernmental Relations was created by Mayor's Order 79-10 (25 D.C.Reg. 6333) as part of the Executive Office of the Mayor. Its primary function is to represent the Mayor before the Congress, the White House, and regional bodies, and to prepare an annual legislative program for the Mayor. That office does not perform any of the duties of the Law Revision Commission described above. The proposals included in the Mayor's Annual Legislative Program are not part of a comprehensive revision process, but simply are to meet specific needs of District agencies, and are generally drafted by these agencies.

The Office of Intergovernmental Relations is not involved in any manner in the revision of the criminal laws. Indeed, only a very small number of the proposals contained in the Mayor's Legislative Program pertain to the criminal law, and none of these overlap in any degree with the work of the Law Revision Commission in the criminal law area. Therefore, the Commission serves a unique and vital function which is not performed by the Office of Intergovernmental Relations or any other agency.

SUBCOMMITTEE RECESS

Senator D'AMATO. Thank you very much for coming in.

This hearing stands adjourned.

[Whereupon, at 11:40 a.m., Thursday, May 7, the subcommittee was recessed, to reconvene Friday, May 8.]

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1982

FRIDAY, MAY 8, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2:40 p.m., in room 1114, Everett McKinley Dirksen Senate Office Building, Hon. Alfonse M. D'Amato (chairman) presiding.

Present: Senator D'Amato.

DISTRICT OF COLUMBIA

DEPARTMENT OF TRANSPORTATION

STATEMENT OF THOMAS M. DOWNS, DIRECTOR

ACCOMPANIED BY:
BERNARD J. O'DONNELL, DEPUTY DIRECTOR
JAMES E. REYNOLDS, CONTROLLER
JOHN BOERTLEIN, BUDGET OFFICER

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. We will call the meeting to order.

Our first witness this afternoon is Mr. Thomas Downs, Director, Department of Transportation. We are happy to welcome you to the committee. Since this is your first appearance and my first appearance I will ask that you place a brief biography in the record.

You may introduce your colleagues and proceed with your statement.

INTRODUCTION OF ASSOCIATES

Mr. DOWNS. Thank you very much. I would like to introduce Bernard O'Donnell, Deputy Director; Jim Reynolds, Controller of the Department; John Boertlein, Budget Officer for the Department. In the interest of time I have a brief opening statement but I would only with your permission and indulgence recap it very briefly.

PREPARED STATEMENT

Senator D'AMATO. Your prepared statement will be placed in the record at this point.

[The statement follows:]

STATEMENT OF THOMAS M. DOWNS

I am pleased to be here today to discuss the fiscal year 1982 programs for the Department of Transportation. The budget document that has been submitted to you will serve as my statement for the record. I would like, though, to supplement that statement with a few comments regarding the capital program, and its importance to the District.

There are two reasons for emphasizing the capital portion of the budget. First, in past years the capital budget has been too often viewed as the discretionary part of the budget -- things we could live without. The problem with this view is that the needs are not discretionary. Deferred maintenance and construction in past years has resulted in unacceptably high levels of pavement failure and costly emergency repairs. In recent years D. C. streets have been resurfaced on an average of once every 50 years. This is one-half of the rate considered acceptable.

Second, in recent years D..C. has had to turn back Federal Highway funds for lack of a local match. The capital budget we are proposing this year - $29.784 million - will be matched by more than $75 million in highway trust funds. These apportioned funds reflect D. C. residents' payments to the trust fund through the 4 cent gasoline tax.

What would this $105 million program mean to local and interstate transportation?

As you know, the 1981 budget provides for an expanded capital program. If street repairs continue at this year's level, we will be resurfacing streets at a much more acceptable rate of once every 30 years. Within a few years, this program level will enable us to get ahead of the spring pothole problem, where we are forced to spend much of our time and resources making emergency repairs.

The 1982 budget before you continues the street resurfacing program at the 1981 level of approximately 30 miles per year. To ensure that these funds are used in the most efficient manner possible, we are developing - with the Federal Highway Administration - a model pavement management program. This management tool will enable us to greatly extend the useful life of pavement and reduce costly temporary patching operations.

This budget anticipates complete reconstruction of two bridges in seriously deteriorated condition and design of two bridges for future reconstruction that are in a similar condition. This bridge program is based on an FHWA required 15 year bridge needs study, which pointed to the need to replace or rehabilitate 38 bridges within 15 years. A requested $6.195 million will match $30.4 million in federal funds.

We are also seeking the local match for needed safety improvements such as traffic control devices and guard rails. Federal safety funds lapse if not obligated within a three year period. Failure to provide a $418,000 local match this year will mean the loss of some $2.7 million in federal funds. Other needed capital improvements included in this budget, also require a relatively small local match for federal highway funds.

A major source of federal funds for these highway improvements is Interstate transfers. In the past, METRO construction was virtually the only beneficiary of these funds, but the poor condition of District roads requires that some of these funds go to maintenance of roads and bridges in FY 82.

In conclusion, I would like to point out that the 1982 budget represents a considerable effort to restrain expenditures, in spite of inflation, energy costs, and greater service demands. We have pared back operating costs wherever possible in response to the current budgetary situation.

New management techniques are resulting in greater efficiency in key areas, which helps greatly in holding down costs and in controlling expenditures. In other areas, we are reducing costs by the old methods of reducing personnel and supplies. Any further funding reductions will mean reduced services and a loss of highway trust fund revenues for needed capital improvements.

Thomas M. Downs
Director
D. C. Department of Transportation

Professional Experience:

Executive Director, Urban Mass Transportation Administration U. S. Department of Transportation, Washington, D. C., July 1980 - January 1981.

Associate Administrator for Planning and Policy Development, Federal Highway Administration, U. S. Department of Transportation, September 1978 to July 1980.

White House Fellow and Special Assistant to the Secretary, U. S. Department of Transportation, Washington, D. C. August 1977 to September 1978.

City Manager, Leavenworth, Kansas, May 1974 to August 1977

Assistant City Manager, Little Rock, Arkansas, September 1972 to May 1974.

Education:

Bachelor of Arts Degree Rockhurst College Kansas City, Missouri	1964
Master's Degree in Political Science University of Missouri Columbia, Missouri	1965
Master's Degree in Public Administration University of Kansas Lawrence, Kansas	1970

Professional Organizations

American Society for Public Administration
International City Management Association

CAPITAL BUDGET

Mr. DOWNS. As far as the Department's concern, I think the most critical item for the coming year even at the expense of some of the other items that we normally emphasize is the capital budget. Like most cities in the Northeast we have spent a decade or so ignoring to some extent our capital structure, our roads, and bridges. We have embarked upon a very aggressive, at least for us, resurfacing and bridge reconstruction program. It will result in the largest number of streets being reconstructed in 50 years. For us it is the only way that we are going to be successful in solving the problem with potholes and deteriorating road conditions. It is a critical item for us and I hope that it will be looked upon with favor by the Congress.

Senator D'AMATO. Let me ask you this: With regard to the Metro which is an absolutely fantastic thing, people from New York come and ride it and they tell me, my gosh, have you seen this magnificent line? I tell them, yes, I am afraid to put the money in because it spits out the tickets but it is certainly, on the serious side, is a great people mover. It has great potential.

IMPACT OF REDUCTION IN SECTION 5 OPERATING FUNDS

But in regard to the deficit for fiscal year 1982 which is projected at $84 million, have you had an opportunity to analyze what the administration's mass transit proposal in relationship to section 5 operating funds, what impact that will have on your program?

Mr. DOWNS. Senator, the District would lose about $12 million a year at the end of the phased-out elimination. The District's share of section 5 operating assistance is $12 million. If we absorb that in fares, the base fare would increase by 10 cents.

Senator D'AMATO. The total fare structure at the end of that period of time, just accounting for loss of revenues from the operating assistance would be made up by 10 cents?

Mr. DOWNS. It would take our base fare from the current 60 cents to 70 cents and that assumes that we hold the rest of the fare base stable. In other words, if we find someway to fund the increases in gas, oil, parts, and wages.

Senator D'AMATO. That will happen in any event.

Mr. DOWNS. Some of my staff have done some rough projections and said that by the end of 1984 the base fare would be $1 on the District of Columbia system.

IMPACT OF SECTION 5 REDUCTIONS ON SURROUNDING JURISDICTIONS

Senator D'AMATO. What impact does that have to the local contributions? I assume you do get local contributions from the State of Maryland, State of Virginia? Is that correct?

Mr. DOWNS. Each of the jurisdictions receives a proportionate split of the section 5 funding. The District's is the largest share. I think Virginia receives about, I will have to guesstimate the amounts, but about $8 million and Maryland receives a similar amount. The impact would be the same on Maryland and Virginia. About half of the cost to the Metro system is borne by the District of Columbia, the remaining half is split about equally between Maryland and Virginia.

Senator D'AMATO. That means those States would have to make up their loss of revenue?

Mr. DOWNS. Exactly.

Senator D'AMATO. That wouldn't be through the fare box, would it?

Mr. DOWNS. They would also probably go with a fare increase because of their problems with raising the local match share and the operating assistance. In all due respect, I think the Mayor of New York summarized it best in terms of the proposed impact on transit. He said I think it is the dumbest idea I have ever heard. I truly believe that in an era when transit is the lifeblood of large cities, especially Northeast area cities where the operating assistance levels are already high and the District already puts in $100 million of its own money for operating assistance on transit, it is a minimal investment that helps the system survive. To propose its elimination right now just does not seem to make much sense from the perspective of the District.

GETTING NATIONAL PARK SERVICE TO MAINTAIN ITS ROADS AND BRIDGES

Senator D'AMATO. What success if any have you been able to bring about in getting the National Park Service to do something with its roads and bridges?

Mr. DOWNS. I have met recently with the Director of the Washington Region of the National Park Service which has responsibility for most bridges and roads owned by the Federal Government in the District and in Maryland and Virginia. Jack Fish said that they are experiencing the same kinds of budget problems as everyone else. They have mandates for reductions in various programs that they are operating, including the closing of the aquarium and a number of other service reductions in their budget. Frankly, their prospect does not look good for funding for the Federal Government's property within the Washington metropolitan area.

NUMBER OF NATIONAL PARK SERVICE BRIDGES

Senator D'AMATO. How many if any resurfacing, reconstruction of bridges and roads are under their control?

Mr. DOWNS. Twenty-eight bridges. How many do they have planned for construction or reconstruction? As far as I can tell from talking with the Park Service they have no major construction or reconstruction projects planned for the coming fiscal year in the Washington metropolitan area.

Senator D'AMATO. I would very much appreciate it if your office or your staff would submit to us some of those projects that you feel should be undertaken by way of the National Park system, particularly as it relates to bridges, particularly as it relates to certain bottlenecks. It would seem to me that maybe it is about time that we began to ask fair play, fair treatment in that area, particularly since it comes under their jurisdiction. Maybe we can get a better allocation of the total dollars and those dollars should remain here in Washington instead of traveling out to other parts of the country.

Mr. DOWNS. Senator, I would be most pleased to.

Senator D'AMATO. If you would submit that to us we would at least be in a position and I would share this information with my colleagues. I think they would be interested in knowing if this is one of the problems that people have in terms of getting access, getting in, getting out of the city and the metropolitan region and could deal with that responsibility resting with the Federal Government.

If you would do that I would be delighted and we have a number of other questions which I will ask my staff to submit to you in writing if you would be kind enough to get us that information. Again that will give us a better picture.

[The information follows:]

We have spoken to NPS officials and have reviewed the highway facilities under the NPS jurisdiction and have concluded the following bridges, within the boundaries of the District, required either repair or rehabilitation.

Rock Creek and Potomac over Rock Creek (L Street Bridge)—Construction planned in fiscal year 1981.

Independence Avenue over Tidal Basin (Kutz Bridge)—Scheduled for construction in 1982.

East Basin Drive over Washington Channel.
Rock Creek and Potomac Parkway over Rock Creek.
Broad Branch Road over Broad Branch Creek.
Beach Drive over Piney Branch Creek.
Rock Creek and Potomac Parkway approach to Lincoln Memorial.
Ohio Drive over Tidal Basin.
Joyce Road over Rock Creek.
Rock Creek and Potomac Parkway over Rock Creek (at Shoreham Hill).
Beach Drive, Zoo Tunnel.
Sherrill Drive over Rock Creek.
Beach Drive over Rock Creek 009P.
Harvard Street over Rock Creek.

Let me say that I will not open up Pandora's box and get into speculation with you in terms of what the future may hold. Because I certainly don't know. I think you are probably aware of that area, too. But I am pleased that you came in, pleased to see that we are beginning to move in the area of more roads, I think they said 35 miles is what you really want to try to do and if you get it up to 30, it is more than has ever been done before, you are tackling several of the bridges, several more than the Federal Government is doing.

So maybe we can get them to follow your pace and begin to increase their pace of doing what is right.

USE OF CITY BUSES BY NEW YORK CITY

Mr. DOWNS. I was going to also add that the shock goes both ways with the people from New York who were here on the Metro system. Recently I was in New York and I was standing on the street corner and I looked up and a Washington Metrobus came roaring down 5th Avenue. I thought, that was interesting.

Senator D'AMATO. We say, "Thank God." [Laughter.]

Mr. DOWNS. But we were glad to be able to provide the assistance to New York for that period of time when their buses started to fall apart.

QUESTIONS SUBMITTED FOR RESPONSES

Senator D'AMATO. I have some questions which I submit for responses.

[The following questions were not asked at the hearing but were submitted for response for the record:]

Questions Submitted by Senator D'Amato

DEPARTMENT OF TRANSPORTATION

1. The District, like most other large cities, faces what might be called an infrastructure crisis. The City is somewhat unique in that it does share jurisdiction with the National Park Service over some of its roads and bridges. The Federal City Council recently completed a report on the local infrastructure that indicates that at least 35 miles of streets must be resurfaced every year. Your FY'82 budget request indicated that 30 miles will be improved.

QUESTION:
1a Are we continuing to lose ground?

ANSWER:
1a Based on an average 40 year life cycle and 1100 miles of streets in the city, 30 miles per year should be resurfaced in order to maintain all streets in an acceptable condition. It is the Department's judgement that 30 miles per year is the correct rate and the FY 81 and FY'82 budgets reflect the District's plans to resurface at that rate.

QUESTION:
1b How many total miles of roadway are currently beyond the normal scheduled maintenance in other words backlogged? Also what would be the normalized maintenance level for FY 1982?

ANSWER:
1b We have a resurfacing backlog of 107 miles of streets. This is the result of resurfacing 343 miles over the past 15 years instead of the required 450. In addition we estimate that 20 miles of streets are in need of major reconstruction. The FY 1982 budget reflects the normalized maintenance of 30 miles of street resurfacing and reconstruction.

QUESTION:
1c What are your long range plans to eliminate the backlog and maintain roads on a current basis?

ANSWER:

1c We plan to maintain the normalized level of 30 miles, and increase the number of miles in years when it is economically feasible. Over the average life cycle of our streets we will eventually catch up and eliminate the backlog.

QUESTION:
1d The Department has been criticized for not pursuing available Federal highway funds for street repair work. Mr. Downs, I know that you are new. Have you had an opportunity to look into this and make and change this policy?

ANSWER:
1d The Department has used available Federal Aid Highway funds except in the case of interstate construction funds. Available interstate construction funds have not been used in recent years for a number of reasons. In the last several years the problem has been the lack of local match for certain projects, such as

the Center leg. In other cases, local concerns, have resulted in decisions not to build certain segments and planning and environmental reviews have taken longer than anticipated. We are planning to include several Interstate projects in the FY'83 budget.

2. In terms of bridges, there are 527 bridges in the District, 215 must be redecked every 25 to 40 years, this works out to 7 per year. Again 3 are planned for FY 1982-we are losing ground.

QUESTION:
2a What is the backlog and normal maintenance schedule?

ANSWER:

2a The figure of 527 bridges under the jurisdicition of NPS and D.C. included 196 NPS bridges in the Washington, D.C. area covering the District and the surrounding areas of Maryland and Virginia. The actual number of bridges in the District is 331 and the Department of Transportation has responsibility for 259 of these. Our August 1980 condition studies of the bridges indicate that over the next 15 years 38 must be rehabilitated. Our budget replacement of three and the design of one bridge in FY'82 is therefore on target and represents a normal maintenance schedule.

QUESTION:
2b What is the Department's plan to become current with the capital need?

ANSWER:
2b We will follow the plan set forth in our bridge condition study.

3. Currently the District collects motor vehicle excise fuel taxes and other fees and deposits them in the General Fund. Many states and the Federal government collect these taxes and place them in special accounts for use in building and maintaining the transportation system.

QUESTION:
3a Are you considering a request to change D.C. law to earmark these revenue for transportation purposes?

ANSWER:
3a In FY'77 the District discontinued the Highway Fund and began accounting for highway revenues in the General Fund. This was done to give the city more discretion in use of its available resources. As shown in this year's budget, the District has used this flexibility to expand the capital program consistent with the needs. Some states that are still having to live with a dedicated fund have had to drastically cut back ther operations and capital program.

4 With regard to Metro, the D.C. portion of the Metro deficit for FY'82 is projected to be about $84 million.

QUESTION:
4a Have you had an opportunity to analyze the Administration's mass transit proposals?

ANSWER:
4a The District has analyzed the Administration's mass transit proposals. A financial plan has been developed to cover the cost of Metrobus and Metrorail operations. The plans will incorporate the following alternatives: an increase in the District's subsidy level; an increase in the Metrobus and Metrorail fares; the elimination of Metrobus routes; and service reductions.

QUESTION:
4b What would the elimination of the Section 5 operating assistance program have on your budget?

ANSWER:
4b The District's deficit will increase by $11.9M in Fiscal Year 1985 due to the elimination of Section 5 operating assistance. At the present time, Section 5 operating assistance represents approximately 14% of the total operating subsidy for the District of Columbia. Listed below is the Administration's allocation to the District, using the phaseout Section 5 operating assistance and the corresponding deficit level:

	Section 5	Estimated Deficit
FY 82	$11.9M	$ 81.2M
FY 83	$ 8.0M	$108.0M
FY 84	$ 4.1M	$136.1M
FY 85	$ 0	$160.2M

To compensate for elimination of Section 5 assistance, Metrobus and Metrorail fares would increase by $0.10 or more, some bus routes will be eliminated or reduced in order to lower the cost of transit services. However, higher fares will result in loss of ridership on transit to the downtown area, thus increasing the use of private automobiles. Also, the elimination of major Metrobus and Metrorail services will seriously affect the mobility of the transit dependent residents.

QUESTION:
4c How would you finance the increase?

ANSWER:
4c An increase in the local share of the operating deficit would be financed in the following manner:

- Revenues from Metrobus and Metrorail fares;
- Transportation fees and taxes;
- Taxes on transient accomodations;
- Metrobus route adjustments and eliminations;
- Metrorail headway widening and curtailment of operating hours.

5 In a recent newspaper editorial, the former General Counsel at the U.S. Department of Transportation expressed the view that National and Dulles Airports should be turned over to local control, possibly WMATA or some other unit.

QUESTION:
5 What is your view?

ANSWER:

5 On a number of occasions in the past, the District of Columbia has either expressed interest in local control of National and Dulles Airports or voiced concern regarding operational aspects of National Airport. In 1976, former D.C. City Councilman Douglas E. Moore introduced a resolution in the Council of the District of Columbia to have the city enter into discussions with Maryland and Virginia on local based ownership and operation of the two airports. Concern over increased noise levels from airplanes using National Airport resulted in the D.C. City Council unanimously adopting Resolution 2-103 in 1977. This resolution requested the Federal Aviation Administration to terminate further consideration of a proposal to alter flight patterns at National Airport.

Local control of the airports should be explored because of the following factors:

1. Would allow for local regulation and coordination of all forms of ground transportation including Metro, taxis and buses to the airports.
2. Would allow for local determination of the number of flights landing at National Airport.
3. Would allow for local control of flight patterns for airplanes landing and taking off at National Airport.

The District of Columbia has a special interest in the issue of local control of National Airport because the city's Potomac River boundary is adjacent to the airport.

6 The budget request states that the Department will be able to reduce certain costs by contracting with outside vendors for services such as guard and custodial and maintenance services, rather than with DGS.

QUESTION:

6a What is the amount of reductions anticipated from contracting out for these services? Also, some time ago, in October, 1978, GAO issued a report on guard activities in the District, and enumerated several guard forces within the District Government. Am I to understand that now the District is considering hiring guard service? Has the number of guards in the District-overall-decreased? Will this be a savings to the City or only to the Department ?

ANSWER:

6a By contracting for guard and custodial services we will be able to reduce our base for these services by $41,700. If DGS were to continue to provide these services we would require an increase of $113,000. Contracting therefore, will result in a net savings to the City of over $150,000. This savings is possible because both of these fields are highly competive in the open market and the lower salaries and benefits paid to private guards. We have received two bid proposals to provide the guard service next fiscal year for $7.00 and $7.25 per man hour compared to DGS current rate of $12.13. Since March 1978 the number of DGS guards has decreased from 225 to 196, a 13 percent reduction. Our proposal will require DGS to attrit or possible RIF up to 20 additional guards.

QUESTION:
6b Would you provide for the record a comparison of FY 1981 contractual service costs with the costs that would have been charged had the services been purchased through DGS?

ANSWER:
6b DGS provides specialized services such as guard, custodial, printing and building maintenance which are used by all District agencies. We do not currently contract for any of the types of services DGS provides. The only compairson we have is the previously mentioned hourly rate for guard service which is $12.13 per hour for DGS verses a contractual bid rate of $7.00 to $7.25 per hour.

7 On KA-6 of the budget request, you state that the repair service provided by Motor Vehicle Maintenance is done by in-house machanics or contracted out.

QUESTION:

7a Would you provide for the record a schedule showing the amount of in-house maintenance and contractual maintenance for the last three fiscal years? Also provide a projection for FY 1982 for in-house and contractual maintenance, and comparison of the cost of each.

ANSWER:

7a Below is a breakdown of the amount of in-house and contractual vehicle maintenance performed over the past three years. It is more cost effective to send out the type of work which requires specialized skills and equipment, such as cooling systems, automatic transmission, and front end and spring work on heavy trucks.

Year	In-House Maintenance	Contractual Maintenance	Total
FY 79	$1,849,900	$242,000	$2,091,900
FY 80	1,980,200	262,600	2,242,800
FY 81	2,541,200	199,700	2,740,900 1/
FY 82	2,795,300	219,600	3,014,900

1/ Includes actual cost through March 1981 and projected amounts for April through September 1981.

8 The budget request states that $886,000 is required for contractual towing, a reduction of $114,000 from the FY 1981 request.

QUESTION:
8a Would you provide for the record, a chart showing contractual towing costs and related revenues generated by such towing for the prior three fiscal years and the projected revenues associated with the 30,000 tows anticipated for FY 1982?

ANSWER:
8a Below is a breakdown of the contractual towing costs, revenue and the number of tows. It should be pointed out, that in addition to the contractual services, the Department employs 27 people who

support the towing program as lot attendants and dispatchers as well as incurring cost for guarding and maintaining the lots.

Year	Tow Contractor	Tow Revenues [1]	Number of Tows
FY 79	$ 972,000	$ 827,000[2]	35,540
FY 80	1,201,000	1,831,000	46,055
FY 81	1,252,000[3]	1,550,000	31,400[4]
FY 82	886,000	1,380,000	30,000

[1] Revenue for tow fee only; no ticket revenue included

[2] Revenue for 9 months, program started January 8, 1979

[3] Cost is based on actual through May 22 and projected to Sept.30

[4] Actual through May, projected through September

DEPARTMENT OF TRANSPORTATION

A. FISCAL YEAR 1981 SUPPLEMENTAL

QUESTION:

1 You are proposing to reprogram $800,000 from DOT. Please detail the components of this amount?

ANSWER:

1 Six areas have been identified to make funding available for the $800,000 reprogramming. Because more employees retired under the early out program than was anticipated and we did not fill many of these positions, $540,400 will be available from personal services throughout the Department. $107,600 will be available from snow removal because of the mild winter season. Because of problems in obtaining the name and address of delinquent traffic ticket holders in Maryland and Virginia, we were unable to mail the anticipated number of notices, therefore $100,000 is available from our postage account. Though the selective replacement of uniforms we will save $25,000. As a result of a purchase plan negotiated with IBM, $17,000 will be available from ADP equipment. By not operating the fountains in the Streets for People areas we will save $10,000.

QUESTION:

2 A savings in postage is noted because of incomplete arrangements with Maryland and Virginia. Please explain this delay and the effect, if any, on revenues from delinquent traffic notices.

ANSWER:

2 Before a deliquent notice on a parking ticket can be sent out we must obtain the name and address of the vehicle owner from the corresponding state. There were problems in establishing the mechanism to obtain this information from Maryland and Virginia and when the state of Maryland reissued its tags this created additional technical problems for us. These problems have been solved but we are only able to process up to 25,000 notices a week and this will not allow us to eliminate the backlog in FY 1981. These problems have delayed the receipt of the revenue which would be generated by the deliquent notices. We expect that the longer the time period between ticket issuance and the delinquent notice, the less likely we will receive a positive response. We do not at the present time, however, have any way of measuring what the specific negative impact will be on revenue generation.

QUESTION:
3 The sum of $4,432,100 is required to pay PEPCO street lighting charges. Of this amount how much is due to the May, 1980 rate increase, the removal of the two cents per kilowatt hour, and how much is related to delinquent charges as a result of the past limitation?

ANSWER:
3 The additional sum required to pay PEPCO street lighting charges for service rendered in FY 1981 has been revised to $4,068,200. During the time period January 1977 through May 1980 PEPCO reduced its kilowatt-hour (KWH) rate back to two cents. The May 1980 increase raised service charges, unrelated to the limitation, by $880,000 annually, increased the KWH charge by .91¢ and added a fuel adjustment charge which averages 2.5¢ per KWH. The KWH increases account for the remaining $3,188,200 and relates to the two cent limitation. PEPCO has agreed to freeze delinquent charges related to services rendered during this fiscal year provided all arrears occuring from May 1980 are paid by June 1, 1981.

B. STREET LIGHTING

QUESTION:
1 In FY 1982 $9,111,200 is identified for street lighting. What rate is assumed and is that still the current estimate? If not, what is it and how will that be handled?

ANSWER:
1 The FY 1982 budget identified $9,111,200 for street lighting and metered energy. The May 1980 PEPCO rate increase was taken into consideration for metered energy and the service charges related to street lighting. The rate for energy was assumed to remain at two cents. As a result of removal of the two cent limitation and a rate increase currently before the Public Service Commission we have included a $4,215,400 increase in the FY 1982 amendment.

C. BRIDGES

QUESTION:
1 In the recently completed bridge analysis 133 bridges were examined. What were the results of this study? Also, aren't there about 572 bridges in the District? What is the status of the others?

ANSWER:
1 The study indicated that 38 bridges will need reconstruction over the next 15 years. We have scheduled all of these bridges for reconstruction based on the relative deterioration and the expected traffic problems associated with the actual construction. The 527 include all bridges in the Washington, D.C. metropolitan area covering the District, and the surrounding areas of Maryland and Virginia. Of this total, 196 are under the jurisdiction of the National Park Service. The number of bridges, walls and culverts inside the geographic limits of the District is 331, and the Department has responsibility for 259 of these. The other bridges and/or structures for which we have jurisdiction are not in need of major repair.

QUESTION:
2 How often will this study be updated?

ANSWER:
2 We will reevaluate the status of the bridges on an annual basis.

QUESTION:
3 What replacement and repair schedule is required and what schedule will you follow as a result of this study?

ANSWER:
3 The bridge condition study found that 38 bridges will require reconstruction over the next 15 years. We will follow the schedule proposed by the study if it is economically possible.

D.CAPITOL PROGRAM

QUESTION:
1 What is the total cost of all deferred maintenance, both bridges and roads, in the District?

ANSWER:
1 We estimate the total backlog of deferred maintenance for roads to be $150,000,000.

QUESTION:
2 How will the FY 1982 budget reduce this backlog? Will you also keep up with routine maintenance?

ANSWER:
2 In FY'82 we plan to begin the reconstruction of three bridges and do the design and engineering for a fourth bridge. This will keep us on schedule for maintaining all our bridges. We also plan to resurface and/or reconstruct 30 miles of streets in FY'82. This rate will not reduce the backlog because it is based on the average life of our total street system, however, looking over an extended period of time and considering the fact that the street life cycle is based on an average annual deterioration we expect our worst streets to be repaired in the next four years so as to raise the average street condition for the total system to an acceptable level.

QUESTION:
3 On page KA-CAP-1 and 2 no amounts are included in the column "Future Appropriations FY 1983-87". Many of these appear to be ongoing projects-Why are no amounts included?

ANSWER:
3 DC Department of Transportation and OBRD agreed to leave this column blank for continuing type projects because it seemed inappropriate to the funding explanation of the project. Continuing projects (or programs) are in theory never complete. In many ways OBRD Form 21 is not a suitable document for handling continuing programs typical of those under the direction of this department. For example the amount shown under the column "Federal Grants" indicates only the amount of Federal-aid funds needed to match the FY-82 request for continuing, projects.

QUESTION:
4 The roadway upgrading and reconstruction project is apparently a new start. Is that true? Is the $25,170,000 the total project cost or will more be required in the future? If so, how much and when?

ANSWER:
This project is not a new start. Like projects have been grouped together to reduce the number of separate project requests and to achieve better fund control during implementation. For example, in FY-82 the Civic Center streets are included in this project. In FY-81, the street improvements around the Hechinger site were included in a separate project.

In FY-81 the roadway upgrading program was located in 28-1 (CA-1). In FY-82 the program was moved to CH3 since there are streets on the Federal-Aid system that also qualify for upgrading. Likewise, reconstruction projects will be included in this project regardless of how major they are. However, exceptions will be made for a unified type project such as the improvement of Suitland Parkway.

Since this is a continuing project, funds will be requested each year.

E. EQUIPMENT NEEDS

QUESTION:
1 The Federal City Council Study on local infrastructure notes that the City's maintenance problems are exacerbated by an obsolete fleet of city vehicles and equipment. How does the FY 82 budget address that problem?

ANSWER:
1 In FY 1979 the Department embarked on a four year $3,000,000 fleet replacement program. Due to the City's financial constraints, however, the program was eliminated in FY 1980 and reduced to $500,000 per year for fiscal years 1981 and 1982. This level of funding will allow for the replacement of our most critical needs.

QUESTION:
2 What other steps are you taking to assure that new facilities are properly maintained in the future?

ANSWER:
2 There are no new facilities which fall under the jurisdiction of the Department to be maintained.

F. DRIVER LICENSE SUSPENSION

QUESTION:
1 Have the recently reported problems which caused drivers who had accumulated enough points to have their drivers licenses suspended to continue driving been resolved? What is the status?

ANSWER:
1 IBM is currently performing an application study and will make recommendations as to the most efficient way to remedy the situation. The problem should be solved by the first of the year.

QUESTION:

2 One of the problems was the number of computer operator personnel. Have more come onboard? Are more needed? Are you confident that this will not recur. Was residency a problem in recruiting these people?

ANSWER:

2 The chief of the ADP unit has been selected and is coming on board on June 8, 1981. We are in the final interviewing state for one programmer and two computer specialists. We have also initiated recruitment actions for an additional seven positions. The recruiting of ADP professionals is a problem, which was compounded by the District's residency requirement. The District has over 100 professional ADP vacancies and after advertising for two weeks in the major newspapers only 75 applications were received.

SUBCOMMITTEE RECESS

Senator D'AMATO. Thank you very much for your testimony today. There being no further witnesses, the meeting is adjourned.

Mr. DOWNS. Thank you very much, Senator.

[Whereupon, at 2:50 p.m., Friday, May 8, the subcommittee was recessed, to reconvene at the call of the Chair.]

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1982

TUESDAY, MAY 12, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:05 a.m., in room 1318, Everett McKinley Dirksen Senate Office Building, Hon. Alfonse M. D'Amato (chairman) presiding.

Present: Senators D'Amato and Specter.

DISTRICT OF COLUMBIA

BOARD OF EDUCATION

STATEMENT OF EUGENE KINLOW, PRESIDENT

ACCOMPANIED BY:
- R. CALVIN LOCKRIDGE, CHAIRMAN, FINANCE COMMITTEE
- JAMES T. GUINES, ACTING SUPERINTENDENT
- SHELTON LEE, ASSOCIATE SUPERINTENDENT FOR MANAGEMENT SERVICES
- JIM FORD, RESEARCHER

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. The subcommittee will come to order.

The District of Columbia Subcommittee continues its hearings on the city's fiscal 1982 budget this morning. Today we welcome Mr. Eugene Kinlow, President of the Board of Education; Dr. James T. Guines, the Acting Superintendent.

Gentlemen, we are delighted that you could be here. If you would introduce your colleagues.

INTRODUCTION OF STAFF

Mr. KINLOW. Thank you, Mr. Chairman. I am Gene Kinlow. To my immediate left is Dr. Guines, the Superintendent of the Schools; Mr. Shelton Lee, Associate Superintendent; and to my right is Board of Education staff member Mr. Jim Ford. We expect to be joined shortly by another Board member who is chair of the Finance Committee of the Board of Education, Mr. Calvin Lockridge.

Senator D'AMATO. Mr. Kinlow, if you have a statement you may proceed.

STATEMENT OF BOARD PRESIDENT EUGENE KINLOW

Mr. KINLOW. Yes; I do have a statement. Thank you, Mr. Chairman.

This year, major policy shifts are in the offing for Federal contributions to, and involvement in, education. Some would welcome those changes; others see them as harbingers of disaster for public education. For you, as national legislators, this is a unique opportunity to preview the impact of these proposed policy changes. While the District of Columbia school system is atypical in that it is a combined State/local system, it is like other large city school systems in terms of needs.

Like other school systems, we face the squeeze of inflated costs, dwindling resources, abandonment of public education by some, and a weakened tax base. These factors are offset somewhat by declining enrollment.

At the national level, Public Law 94–143 mandates equal education for the handicapped. Courts are enforcing it. Parents demand it. Government at all levels refuses to appropriate dollars to compensate for the fact that education for the handicapped often costs several times more than regular education. This is true here and across the Nation.

At the other end of the educational spectrum, communities like ours nationwide are demanding equal treatment for the gifted and talented. Magnet schools, academic schools, schools for the performing arts, advanced courses in math and science and computer technology are the battle cry from those parents who insist that their sons and daughters be prepared to compete for college seats. This is understandable in a nation becoming paranoid about its posterity and rank among nations. It is better understood when one realizes that the scientific knowledge developed in the years since Sputnik roughly equals all that which was developed in the previous 2,000 years. The advent of microtechnology, laser beams, and other discoveries are almost guaranteed to exponentially increase the complexity of technology. To be competent, students must learn sooner, and at an accelerated pace.

Future shock happened yesterday. Future shock not coped with today leads to institutional paralysis tomorrow. This fear by the perceptive causes them to place legitimate demands on school systems still geared to the educational needs of the sixties. These demands run hard up against the realities of unprecedented inflation and competition for tax dollars.

Public policy and public need are in conflict. Even our values are at war with each other. Frugality and austerity are unmitigated virtues. We want the crop, but we say we cannot afford the seed money. This is curious logic for a free enterprise economy.

Even more disturbing is the tuition tax proposal. Those with the greatest need will remain without any options. They will be relegated to anemically funded public schools. This includes the poor, the disadvantaged, and the handicapped. The tuition tax credit proposal is the single most devastating prospect for public education. Billions of dollars would be diverted from the needy and given to about 10 percent of the school population. To reduce Federal funding to public education by several billion dollars, while indirectly funding private education with several billion, leads one to suspect that there is more than a subtle effort underway to destroy public education in this country.

Like other communities, ours has experienced the reality that the school building is not a haven nor an island. Rather, schools are a microcosm of society. Drugs, alcohol, child abuse, theft, vandalism, extortion, and hunger do not remain outside the schoolhouse door. The ills and failures of society—of parents, churches, government—enter our school doors along with our children. The community demands that schools be society's safety net; the community also says we must provide this education in safe environs; yet the schools are denied adequate funding.

It is fact that the Federal contribution in fiscal year 1982 to education will be significantly less than in fiscal year 1981. For example, the impact aid shortfall alone for our school system approximates $2.5 million. Overall, the loss for the District of Columbia in Federal funds will be more than $13 million. Given inflation, the loss is even greater in fiscal year 1982. The offset in less paperwork and administrative costs would be relatively minor, probably not more than 10 percent.

IMPACT OF REDUCTION IN PUBLIC SCHOOLS' BUDGET

The school system's budget request before you for fiscal year 1982 is $248.2 million. For the third consecutive year, if approved, the District of Columbia public schools would have received a 1-percent increase in appropriations. Adjusting for inflation and enrollment, purchasing power of the District of Columbia public schools is being reduced each year by more than 5 percent. Like other cities we have been asked to do more with less.

But in this city, unlike in some cities, we have done it. Through new policies, like the competency-based curriculum, we have raised both standards and performance. Student scores are on the rise. But we have reached the limit. The Board of Education has just taken action to avoid a potential $6.5 million budget imbalance this fiscal year—fiscal year 1981. Notwithstanding that, the school system, if granted a fiscal year 1982 budget of $248 million, loses a significant amount in Federal grants, and suffers inflation at an 8-percent rate; we will be, simply speaking, $25 to $30 million short of what we need to maintain operations at the existing level. Specifically, some of the probable effects of this bleak budget situation will be:

Average class size of 30 students; inability to implement Public Law 94-142; no improvement in security; loss of school lunch programs; fewer students enrolled in compensatory education programs; the virtual elimination of adult education and perhaps prekindergarten and kindergarten; and reductions in, if not the elimination of, many interscholastic athletic programs; ineffective supervision and management of instruction due to sharp cuts in administration; the virtual elimination of vocational education at the junior high level—already reduced.

If this occurs, can public education continue to carry out its mission for this city? If these effects are replicated nationwide, can public education continue to be a viable safety net which guarantees the future health of our country?

The National Legislature has the responsibility to set policy for the national agenda. As a vital part of the larger deliberative body, you can do no less than send a message to the Nation: That public education is a national resource and as such should be preserved and supported at funding levels that reflect its importance and acknowledges public education's contribution to the American way of life. There is still time for the Federal Government to be a part of the answer, not part of the problem.

We hope that today's opportunity to look at the District of Columbia school budget will serve the interests of the children of this city and those of the Nation as well.

I thank you, Mr. Chairman.

Senator D'AMATO. Thank you, Mr. Kinlow.

FURLOUGH OF EMPLOYEES TO HELP ALLEVIATE DEFICIT

I noticed in the news account that was carried on yesterday's action and in this morning's paper that there was talk that in order to make up for the deficit in fiscal year 1981, that the Board was embarking upon a program to furlough teachers in September and maybe other employees during the course of the summer.

Mr. KINLOW. The decision of the Board of Education yesterday as part of a plan to deal with a projected $6.5 million budget imbalance that still exists, after exhaustive attempts to make it go away, was to approve a furlough in September for all employees from top to bottom, not just teachers, for up to whatever amount of time would be required the last month of the fiscal year to solve the budget problem.

Senator D'AMATO. Are you permitted with the contract to do that?

Mr. KINLOW. We are hopeful that we are going to have the cooperation of all of our labor organizations. Of course, we are in conversations with them, and I wouldn't want to speak out of turn and say we aren't going to have a problem. But we have reasons to be hopeful we will get cooperation from labor organizations to be able to implement whatever required furlough is called for.

Senator D'AMATO. You talk about a $6.4 million deficit. Then are we talking about a furlough that would take over a period of 6 to 7 days?

Mr. KINLOW. We are hoping that it would not require more than a 5-day furlough.

INCONSISTENCY IN PROJECTED DEFICIT IN FISCAL YEAR 1981

Senator D'AMATO. I note it would appear to be some kind of an inconsistency. You indicate you are looking to save $4 to $5 million. According to the Mayor's supplemental budget request, the remaining shortfall subject to the Board seems to be less than $3 million. Can you explain what inconsistency there is? In other words, he does not project a $6.4 million deficit, but after not filling vacant positions takes credit for $2.8 million, early retirement $3,150,000, supplemental request $1,100,000. The Mayor's budget seems to indicate a deficit of $2,496,000.

Mr. KINLOW. Yes; Mr. Chairman, we are in a constant mode of recalculating and making new projections. For example, the request of the Mayor went some time ago. But subsequently, looking toward fiscal year 1982 and the fact that we may be running RIF's in order to get staff levels down in fiscal year 1982 will mean we will incur additional expenses that were not included in the calculations and presentation that went to the Mayor. For example, we have to absorb severance pay and other costs, et cetera, that were not reflected there, and that gets incorporated in fiscal year 1981. That shoots the fiscal year 1981 imbalance up. That is part of what appears to be a discrepancy, but is based on more recent analysis and taking into account additional factors.

Senator D'AMATO. So that the account that we read about today in the paper, it would be fair to characterize that as reflecting a more up-to-date appraisal of the situation?

Mr. KINLOW. Yes; that is more up to date. We are constantly making projections.

Senator D'AMATO. Would you submit this? I think it is very important you submit this data to the committee with an explanation so we can attempt to rectify that.

Mr. KINLOW. We will be happy to do that.

Senator D'AMATO. I think that is important.

PROJECTED SHORTFALL IN FISCAL YEAR 1982

Let me ask you, you talk about a revenue shortfall for 1982. The numbers are quite dramatic, $22 million as a deficit. Obviously that is 18 months in advance, but yet I am sure you make your predictions of this $22 million deficit with some facts and information that is quite obvious. I am wondering if you could touch on that, highlight, and then what alternatives is the Board considering in making that deficit up, because that becomes a very critical area if the city is ever going to go to the bond market. It will have to be in a position to show a balance sheet that balances, and if we have a $22 million deficit that is projected, there is no way they are going to get to the bond market. If they can't get to the bond market, it is going to throw the budget out of whack. Borrowing is going to be more difficult. Where do you anticipate the $22 million coming about, in what areas, if you could give us a backdrop, and No. 2, what plans are you considering to make up that deficiency and do you contemplate an amendment to the 1982 budget?

Mr. KINLOW. In terms of the latter question, I certainly would hope the answer to that is yes, at the school board level we certainly contemplate a fiscal year 1982 amendment, and hopefully the Mayor and District Council will agree. At the moment I believe the budget that the Mayor has agreed to in terms of the 1982 budget amendment is the same as in the fiscal year 1981 supplemental which is $1.1 million for the Board of Education. That, of course, reflects a 1982 base which would presumably increase the fiscal year 1982 budget mark from the Mayor's office from $248.2 to $249.3 million. And we would certainly hope in future conversations with the Mayor that he will agree to a fiscal year 1982 supplemental.

In terms of your question regarding a $22 million budget imbalance, we project against the $248 million mark, some of the major reasons for that include special education, which is about $800,000. Special education is one of those uncontrollable areas where the cost keeps getting higher and we can't predict it entirely. A major——

WELCOMING SENATOR SPECTER

Senator D'AMATO. If I might, Mr. Kinlow, I would just like to indicate for the record that my colleague, Senator Specter, from Pennsylvania has joined us, and we are listening to Mr. Kinlow, president of the Board of Education. A Senator who comes from a modest little hamlet, has had its share of difficulties over the years in the education area, as have many of our cities, the City of Brotherly Love, Philadelphia, told me of his concern in regard to our problems that you are dealing with.

Senator SPECTER. Thank you, Senator D'Amato. I cannot stay long, but I wanted to come and lend some support to the chairman of the subcommittee who is doing such an outstanding job. Sinking into this chair I know I am barely visible from the podium. But I am pleased to be here and very much interested in the problems of this hearing.

LOSS IN FEDERAL FUNDING

Senator D'AMATO. We are talking about at this point, Senator, a projected $22 million deficit or shortfall in fiscal year 1982 and a good deal of that coming about as a result of certain budget constraints and lack of Federal funding being projected by way of some of the administration's proposals and how will the District be able to cope with that. That revenue loss I believe you have indicated is in the area of $13 or $14 million.

Mr. KINLOW. For the Federal?

Senator D'AMATO. Yes.

Mr. KINLOW. Yes, we project about a $13 million loss as a result of the present administration's proposals.

Senator D'AMATO. What alternatives are you working on, or are you working on a plan to try to make up that difference?

Mr. KINLOW. Certainly, I think responsibly, while we hope for the best, we always have to be prepared for the worst. Last week the superintendent presented to the Finance Committee of the Board of Education a document which outlined in rather stark terms the gravity of the situation and presented five options. Let me acknowledge the presence of Calvin Lockridge, whom I indicated earlier would be joining us, the chair of our Finance Committee. He has started dialog for the purpose of sharing the information with the community and provided the community with an opportunity to make its ideas and preferences known in terms of the approach that the school system ought to take in terms of making alterations and reductions in programs and services. We started last night informing the community with a large community meeting that almost overflowed one of our school building auditoriums which indicated their level of interest. I am sure an overflowing meeting will also occur tonight just because of the level of interest in the community for when it appears we are turning the corner on education in this country, we run into the realities that could very well undermine all of the efforts that have been so carefully put in place.

So, Mr. Chairman, we do not have yet any commitment on the part of the Board of Education because we are reviewing a plan which covers five options.

Senator D'AMATO. Excuse me a moment.

Mr. KINLOW. Certainly.

DEALING WITH SHORTFALL IN THE CURRENT FISCAL YEAR

Senator, let me make a general remark about this and the superintendent will be more specific. Just in order to deal with the shortfall we have for this current year, last summer we took some rather devastating actions like reducing the number of personnel in the school system by about 1,000. It is a labor-intensive organization, already 85 percent of our cost is in personnel. We, in fact, totally cut out the driver education program, for example, except on a one-time basis we had GEICO, an insurance company, come to our aid. This year the same kind of thing faces us. We are still talking about people and positions, and the bottom line we are talking about is what other things can be cut out. Obviously we are looking at things not mandated by law such as prekindergarten and kindergarten, things that we think have been proven in the last decade or so to be almost indispensable in order to give young people a head start. We are talking about discontinuing adult education, and the possibility of large class size. We are talking about serious disruptions in our industrial arts, home economics, and business education courses. This current school year we expect to serve in excess of 15,000 people in adult continuing education. The prospects for that are very, very dim, to the extent the community hasn't done all it may have done and people coming from outside the community. To have a viable community, you can't ignore the large population you have.

CONSTRAINTS ON HIRING PERSONNEL

Senator D'AMATO. Mr. Kinlow, let me ask you to put your finger on the fact that 85 percent of your budget goes to personnel. That being the case, do you have a freeze on hiring, and is there an attrition program and is it part of your overall plan to hold to that attrition program for the next 18 months?

Mr. KINLOW. In fact, Senator, we have had a constrained hiring program in effect, now into its second year. I wouldn't go so far to say we have an absolute hiring freeze.

NUMBER OF PERSONS CURRENTLY ON PAYROLL

Senator D'AMATO. I understand there are those absolutely essential positions that must be filled. But you are saying hiring constraint. How many personnel presently are on payroll?

Mr. LEE. 9,655.

Mr. KINLOW. That is Mr. Lee.

Mr. LEE. Sir, I am sorry that is our authorized strength. We are well under that strength at a figure of 8,752.

Senator D'AMATO. Those savings are obviously included in your projections for both fiscal years 1981 and 1982.

Mr. LEE. Yes.

Senator D'AMATO. 8,752, and an authorized budget for fiscal year 1982 is I believe 8,800; is that correct?

Mr. KINLOW. That is correct.

FURTHER REDUCTIONS IN POSITIONS

Senator D'AMATO. Do you target reducing that? You know there comes a point where reductions may be counterproductive to the extent you can't rationally go any lower. Do you have a bottom line?

Mr. LEE. The options that are being entertained, if they are accepted by the Board of Education at their maximum potential, would entertain the reduction of some 700 to 800 positions.

Senator D'AMATO. So you would go down to about 8,000, and that is one of the options that is being considered?

Mr. LEE. Right, the option potential is that, but the Board configuration may come out less or more depending on what items are chosen.

AVERAGE COST PER POSITION

Senator D'AMATO. Do you use an average cost of about $20,000?

Mr. LEE. $23,000.

Senator D'AMATO. So we would multiply 23 times 7.

Mr. KINLOW. I think that is slightly under $22 million. That is slightly under 1,000 positions, if all the reductions were made just in personnel.

SAVINGS IN REDUCING POSITIONS

Senator D'AMATO. What do you figure the savings come to, 23,000 times 700?

Mr. KINLOW. No, I was coming at it in the opposite direction. I was saying if you started with a $22 million shortfall and we made the entire adjustment through personnel cuts, at an average of $23,000 per person.

Senator D'AMATO. You would save $16,100,000, about $16 million.

Mr. KINLOW. Yes.

Senator D'AMATO. In other words, a reduction down to the 8,000 level, you lose 700 jobs, you would come up with a savings of approximately $16 million. We understand that. That would appear to be probably the real opportunity—and I am not saying it is a good opportunity—but the greatest potential for savings would lie in that area.

Mr. KINLOW. Yes, of course. But you can't make those savings without severe impact on programs.

Senator D'AMATO. I understand, I am not advocating; that is not my position. Although sometimes I think maybe it should be, and not necessarily with education. It is very difficult, complex. You are talking about the lifeblood of the community in terms of dealing with its young people, in terms of giving them the opportunity to reach some potential—I am not saying the full potential—but some opportunity. I think it is important that we at least have an understanding of some of the numbers and some of the problems.

LIST OF ALTERNATIVES TO REDUCING BUDGET

Let me suggest to you that you please submit to the committee some specifics on those alternatives that you are dealing with. I think it is important that we do that. You have indicated to me, and I am appreciative of the fact, you will be submitting your update to the committee. We need that before too long. I hope maybe by the end of this week at least we could get those figures in terms of 1981 projections, in terms of how they differ from the budget that has been submitted to us.

LEGALITY IN PROPOSED FURLOUGH

I thank you for your presentation and commend you for your efforts in a very difficult, difficult area. I hope that in the area of furloughs that legally we are not going to get into a hassle. I imagine you have talked with your corporation counsel on this, because I see that as a potential pitfall in terms of those people who may take a strong objection to the furlough. Of course, obviously that just makes the problem worse for 1982. But I don't know. But I would ask if you could address that with some kind of memorandum to us vis-a-vis the question of furloughs.

Is the corporation counsel's contention that indeed you can go through with the furlough? I am not suggesting that it does or doesn't. I think it is important.

INCREASING CITY'S SUPPLEMENTAL REQUEST

Mr. Kinlow. If I may, Senator, it seems to me it would be a missed opportunity if I didn't at least say we certainly have a concern from a number of aspects about furloughs, and nothing would make us happier if we could persuade the committee to consider taking us off the hook and the Congress taking us off the hook by increasing the supplemental which we will be coming forward with this fiscal year.

Senator D'Amato. Well, I think we are dealing in the light of reality, and I don't believe—by the way, I appreciate your good humor. [Laughter.]

As they say in the vernacular, good try.

Mr. Kinlow. I had to try, Senator.

SUBMITTED QUESTIONS

Senator D'Amato. Thank you all very much. I will submit some questions for your response.

Mr. Kinlow. Thank you very much. I appreciate the opportunity. We will get those materials to you.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

BOARD OF EDUCATION

QUESTION:
1. In the Mayor's proposed budget supplemental the Board must fund an additional $2,496,000 in reductions this fiscal year. This is on top of nearly $6 million in cuts already made. How will this be done?

ANSWER:
1. The Board of Education's approved plan for meeting the additional $2,496,000 in reductions this fiscal year is as follows:

Action	Amount of Savings
Holding Vacancies	$1,000,000
Reducing other than Personnel Expenditures	400,000
Furlough (1-2 days @$1,000,000/day)	1,100,000
Total	$2,500,000

The number of furlough days applied will be increased or decreased depending upon success in holding down expenditures in other areas.

QUESTION:
2. The number of students expected to enroll in District schools is expected to fall. What is the reason for that-- loss of population or private school enrollments?

ANSWER:
2. There are several factors contributing to the decline: (1)the population of the District of Columbia from 1970-1980, as reported by the United States Census, shows a decline of 118,858, a 16% decline in a decade. For the year 1979-80, the decline was 3.4%, a drop in population of 22,700. The school age population dropped approximately 4,400 persons; (2) the decline in birthrate has had a major impact on the school membership. "Our pre-school child population is now smaller by more than 1/4 what it was at the beginning of the 70's." (The Washingtonian of Today, by Eunice S. and George Grier, June 1980); (3) the marked influx of young singles and marrieds who are childless, into the District of Columbia has significantly contributed to the decline in school enrollment; (4) the tremendous escalation of the cost and scarcity of houses in the District has resulted in emigration out of the District of Columbia for affordable housing. This has had a great influence on decline of membership in our schools.

In studying the private school enrollments over the past five years it can be observed that there has been a slight increase in enrollment. However, the actual annual increases are small in comparison to the actual drop in District of Columbia Public School enrollment. It is obvious that the increase accounts for some of the loss of public school students, but only a small percentage of it. The enrollment figures for the past five years in the District of Columbia private schools is shown below:

1976-77	13,841
1977-78	13,813
1978-79	14,101
1979-80	14,466
1980-81	15,752

QUESTION:
3. How does the District compare to surrounding jurisdictions and other large city school systems in terms of the percentage of students who finish high school? What is the drop out rate?

ANSWER

A telephone survey was conducted to secure data on the percentage of students who start and then finish high school in the surrounding jurisdictions. It was indicated by each school system contacted that these data are not readily available and that it would take some time to prepare the information.

With reference to the second part of the question on the drop-out rate, the D. C. Public School System compares favorably with the surrounding jurisdictions and the large cities. The senior high school drop-out rates reported are as follows:

Prince George's	5.8%
Alexandria	3.4%
Arlington	3.6%
Washington, D. C.	2.8%
Baltimore	12.2%
St. Louis	9.1%
Atlanta	5.9%

Note: Other large cities and the surrounding jurisdictions were called, but they did not have the data readily available.

QUESTION:
4. The District has a rather unique eductional facility in the Duke Ellington School of the Arts. Would you tell us about that program?

ANSWER:
4. The Duke Ellington School of the Arts is a four-year, city-wide, D. C. Public School which offers professional training and study in the arts as well as a rigorous program of academic instruction. The school was established in 1974 as an outgrowth of Workshops for Careers in the Arts. Students are admitted to the school on the basis of auditions and/or portfolio review. Admission is based upon demonstrated talent and developmental potential. Students may select a major area of concentration from the divisions of Dance, Visual Arts, Music or Theatre. Additionally, students must successfully complete the academic program which exceeds that of most other D. C. public high schools. The Duke Ellington School of the Arts currently has an enrollment of 465 students.

The concept of this school is very special. It is one of the few public high schools in the nation which offers specialized training in the arts. The mission of the school is three-fold; (1) it seeks to instill in each student an appreciation of his or her innate creative and intellectual potential; (2) it aims to develop in each student an appreciation of the discipline, cooperation, and hard work necessary to succeed in professional arts careers; (3) through instruction in dance, theatre and visual arts, it seeks to teach the skills that will contribute to the student's personal and professional fullfillment and proficiency in his or her chosen art form.

The Duke Ellington High School graduates 80-100 students annually in the four major areas of specialization. Typically, more than 80% of the students graduating choose to enter higher education, with most continuing in the area of specialization and interest mastered at Ellington. More than 50% of the students opting for higher education receive some form of scholarship assistance. Those students not opting for higher education move directly into the higher competitive world of the arts through apprenticeships and direct application.

The impact of the concept of the Duke Ellington High School has been felt throughout the nation. It is not unusual to see Ellington graduates performing with important theatre and dance companies. Ellington has produced many exceptional practitioners in theatre arts and their works are on display throughout the country. The D. C. Public School System is very proud of the fine work being accomplish at Ellington.

QUESTION:
5. Does the School Board have a plan to deal with various reductions in programs at the Federal level? What options are under consideration?

ANSWER:
5. The reductions-in-costs to be incurred by the Public Schools of the District of Columbia are expected to amount to $12 million.

The cuts are spread relatively evenly across all of our programs, both large and small. The largest proposed cuts are in Title I ($2.6 million), Impact Aid ($2.4 million), Agriculture grants ($1.3 million), Handicapped Education ($1.1 million), CETA ($0.6 million), Title IV ($0.5 million), and ESAA ($0.5 million).

The proposed cuts in Impact Aid, Title I, Handicapped Education, Title IV and ESAA will force us to reduce services and personnel. We will do this, in part, by cutting components of programs and, in part, by eliminating our pre-schools, and Adult Education programs.

We are considering reducing the number of schools served by Title I. We will reduce the number of projects for school improvement which are funded by Title IV.

Agriculture grant cuts will eliminate our Nutrition Education program, force an increase in meal prices, reduce the number of children served, reduce staff levels, and remove the subsidy for milk purchases in most schools.

CETA cuts would remove staff training positions which had provided eligible participants with opportunities for full-time, regular employment, while increasing their chances for upward mobility into meaningful careers.

QUESTION:
6. How is the Superintendent selection process progressing?

ANSWER:
6. The Committee of the Whole of the Board of Education will begin interviews of finalists for the position of Superintendent on Saturday, June 6, and will be completed Saturday, June 13, 1981. The final selection could be made as early as June 17, 1981.

FY 1981 SUPPLEMENTAL ENROLLMENT

QUESTION:
1. Your budget submission indicates that a planned enrollment for FY 1981 was 98,700. However, recent press accounts put the total at 100,049. Which figure is accurate? Also, the relative figures for FY 1982 are 92,100 and 95,200; which of these is the current figure?

ANSWER:
1. The actual enrollment for FY-81 is 100,049. The figure of 98,700 students was projected in January 1980 for the opening of schools in September 1980.

The figure of 95,200 is the most current figure projected in December 1980 for the opening of schools in September 1981. See these figures on SUMMARY OF STUDENT MEMBERSHIP PROJECTIONS, ALL SCHOOL LEVELS, FOR REGULAR DAY SCHOOLS, FOR SCHOOL YEARS 1980-81 THROUGH 1983-84, and the same chart for SCHOOL YEARS 1981-82 THROUGH 1984-85.

OTHER AREAS

QUESTION:
1 Please provide an updated schedule for fiscal year 1982. For comparison also provide side-by-side the schedule on page GA-2 of the Mayor's February 1981, budget submission.

ANSWER:
1. However, inadequate for needs of the Public Schools, the figures on schedule two (2) do not change.

The federal funds figure of $44,226.8 only represents three-quarters of the anticipated revenue projected in calendar year 1980. Since that time, President Reagan's proposlas, if approved, would roughly equate to the three-quarters of what the Public School System is presently receiving, or approximately an eleven million dollar cut in federal funds.

District of Columbia Public Schools

SUMMARY OF STUDENT MEMBERSHIP PROJECTIONS, ALL SCHOOL LEVELS, FOR REGULAR DAY SCHOOLS FOR SCHOOL YEARS 1980-81 THROUGH 1983-84

Level and type of school	Actual membership, 1979-80 (end of first six weeks) a/	Projected membership at end of first six weeks in: b/			
		1980-81	1981-82	1982-83	1983-84
Elementary schools					
Pre-Kindergarten	2,965	3,000	3,000	3,000	3,000
Kindergarten	6,164	5,800	5,700	5,600	5,750
Regular grades 1-6 c/....................	46,643 c/	43,800	40,800	38,000	35,500
Total	55,772	52,600	49,500	46,600	44,250
Junior High schools d/					
Regular grades 7-9	24,537 d/	22,000	20,100	19,300	18,600
Senior High schools e/					
Grades 10-12 and Special Students	21,327 e/	19,500	17,900	16,700	15,300
STAY Program	1,409	1,400	1,400	1,400	1,400
Total	22,736	20,900	19,300	18,100	16,700
Capitol Page School f/....................	102	100	100	100	100
Special Education g/......................	2,215	2,300	2,300	2,300	2,300
Total, all levels	105,362	97,900	91,300	86,400	81,950
Other					
Tuition Grant	574	600	600	600	600
Pre-Schools h/...........................	220	200	200	200	200
GRAND TOTAL	106,156	98,700	92,100	87,200	82,750

a/ Actual memberships for 1979-80 are those of October 18, 1979.

b/ The projected figures in this summary table have been rounded to the nearest multiple of 100.

c/ Includes non-graded, elementary level.

d/ Includes 1,315 students in special programs housed in elementary schools, 1,188 students in special programs housed in regular senior high schools, and 157 students housed in career centers.

e/ Includes Career Development Centers (2,497 students for grades 10-12 and 65 special students), Ellington School of the Arts (358 students for grades 10-12), Randall High School (313 students for grades 10-12), and Street Academies (337 students).

f/ School for Congressional Pages.

g/ This category includes pupils on visiting instruction at home or in hospitals, as well as pupils in officially recognized special classes or schools for the handicapped.

h/ Supported through Federal grants.

Prepared by
Division of Research and Evaluation
January 1980

District of Columbia Public Schools

SUMMARY OF STUDENT MEMBERSHIP PROJECTIONS, ALL SCHOOL LEVELS, FOR REGULAR DAY SCHOOLS FOR SCHOOL YEARS 1981-82 THROUGH 1984-85

Level and type of school	Actual membership, 1980-81 (end of first six weeks)a/	Projected membership at end of first six weeks in:b/			
		1981-82	1982-83	1983-84	1984-85
Elementary schools					
Pre-Kindergarten	2,809	2,800	2,800	2,800	2,800
Kindergarten	5,876	5,800	5,600	5,700	5,500
Regular grades 1-6c/	44,072c/	41,900	39,300	37,000	35,600
Total	52,757	50,500	47,700	45,500	43,900
Junior High schoolsd/					
Regular grades 7-9	22,565d/	21,200	20,900	20,500	19,700
Senior High schoolse/					
Grades 10-12 and Special Students	20,057e/	18,800	17,500	16,400	15,600
STAY Program	1,340	1,300	1,300	1,300	1,300
Total	21,397	20,100	18,800	17,700	16,900
Capitol Page Schoolf/	90	90	90	90	90
Special Educationg/	2,416	2,400	2,400	2,400	2,400
Total, all levels	99,225	94,300	89,900	86,200	83,000
Other					
Tuition Grant	468	500	500	500	500
Special Projects	141	150	150	150	150
Pre-Schoolsh/	215	200	200	200	200
GRAND TOTAL	100,049	95,200	90,800	87,100	83,900

a/ Actual memberships for 1980-81 are those of October 16, 1980.
b/ The projected figures in this summary table have been rounded to the nearest multiple of 100.
c/ Includes non-graded, elementary level.
d/ Includes 1,158 students in special programs housed in elementary schools, 1,079 students in special programs housed in regular senior high schools, and 112 students housed in career and continuing education.
e/ Includes Career and Continuing Education (2,630 Career Center students for grades 10-12 and 115 special students), Ellington School of the Arts (396 students for grades 10-12), and Washington/Dix Street Academies (358 students).
f/ School for Congressional Pages.
g/ This category includes students on visiting instruction at home or in hospitals, as well as students in officially recognized special classes or schools for the handicapped.
h/ Supported through Federal grants.

Prepared by
Division of Research, Planning and Evaluation
February 1981

UNIVERSITY OF THE DISTRICT OF COLUMBIA

STATEMENT OF LISLE C. CARTER, PRESIDENT

ACCOMPANIED BY:
DR. LEROY KEITH, EXECUTIVE VICE PRESIDENT
DR. ALTON WILSON, CHAIRPERSON, FINANCE AND AUDIT COMMITTEE, BOARD OF TRUSTEES
DR. MARJORIE PARKER, CHAIRPERSON, BOARD OF TRUSTEES
VIVIAN TAYLOR, BUDGET DIRECTOR

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. The next witnesses this morning are Marjorie Parker, Chairman of the Board of Trustees, and Dr. Lisle Carter, President of the University of the District of Columbia.

Mr. CARTER. Good morning.

PREPARED STATEMENT OF PRESIDENT LISLE CARTER

Senator D'AMATO. Dr. Carter, I would like to thank you. Inasmuch as we do have some time constraints placed upon us, let me indicate for the record that we do have a copy of Dr. Carter's statement, and I would ask that it be submitted into the record as if read.

[The statement follows:]

STATEMENT OF LISLE C. CARTER, JR.

First, let me say how pleased I am that the Junior Senator of my great home state, New York, is providing leadership for the committee that reviews the critical budgetary needs of the people, government and institutions of the District of Columbia. The chairman's background of concern with a range of public policy issues that impact on the human needs of urban constituencies is bound to provide this committee with a special sensitivity to the requirements of the government of the nation's capital and its independent institutions.

As chief administrative officer of one of the District's independent institutions, I welcome this opportunity to present to this committee the Fiscal Year 1982 resource requirements of the University of the District of Columbia (UDC), the only exclusively urban land grant institution in the nation.

Accompanying me here today are: Dr. Marjorie H. Parker, chairman of the UDC Board of Trustees; Dr. Alton J. Wilson, Jr., chairman of the board's Finance and Audit Committee; Dr. Leroy Keith, Jr., executive vice president of the University; and Mrs. Vivian Taylor, the University's budget officer.

Mr. Chairman, in view of the fact that the committee has been somewhat re-constituted since our last appearance here, it might be useful if I introduce our statement of fiscal needs with a few brief words about the public university for the nation's capital.

The University of the District of Columbia was authorized by Congress which enacted a public law, affirmed by the D.C. City Council, mandating the consolidation of all public higher education in the District of Columbia. Thus, a well established four-year teachers college laden with tradition, a relatively new four-year liberal arts college born of the '60s, and a vocational/technical institute founded in 1966 were consolidated into a single land-grant postsecondary institution governed by a Board of Trustees. The University offers programs at the associate, bachelor's and master's degree levels.

The University officially opened on August 1, 1977, when the three predecessor institutions were merged into a single management system. Since then the University has undertaken enormous challenges and made impressive gains in a relatively short time frame. The sum total of these developments inspired favorable comments from the Commission on Higher Education of the Middle States Association of Colleges and Secondary Schools in its statement notifying us of the reaffirmation of our accreditation for a five-year period.

Let me cite some of the more notable accomplishments which have required the participation of the entire University Community. All administrative functions were rapidly consolidated to overcome the problem of duplication of effort. Academic consolidation was effected in 1978 and included the establishment of academic standards and policies, the combination of course offerings and development of a university catalog. The institution undertook an exhaustive self-study which led to accreditation reaffirmation.

Recognizing the pre-dominance of non-traditional students who are attracted by the open admissions policy of our institution, we created the University College to provide substantial support to students who come to us from a variety of backgrounds and who bring with them various levels of preparation. University College exists to assist all students in achieving their educational objectives and in reaching their full potential. We particularly appreciate the support this committee has given to the development of the college.

The University also has completed and begun implementation of its five-year Master Plan dealing with academic directions and faculty staffing levels, departmental reorganization, and the allocation of resources. In addition, the University completed an administrative personnel reorganization and classification study which, when fully implemented, will enable us to develop staffing patterns that reflect more accurately the needs the University must address if it is to carry out its mission and achieve the goals and objectives of the Master Plan.

The implementation of the Master Plan marks the final step in the integration of predecessor institutions and programs; it heralds the beginning of more effective allocation of our academic resources in keeping with our priorities, as well as of more efficient management.

Last year the D.C. City Council approved legislation which enables the University to retain its tuition revenues. Accordingly, the University Board of Trustees, recognizing its responsibility to taxpayers and to the preservation of the University's integrity, has asked our students to pay a greater share of the cost of their education, effective with Fall Semester 1981. The Board has increased resident undergraduate tuition 100 percent and raised tuition in all other categories by an equal dollar amount.

University facilities are currently spread all across the city. Operating colleges are located at the Van Ness Campus, in the downtown area, and in two buildings in the Georgia Avenue/Harvard Street area. Though we will reduce our building space rentals in Fiscal Year 1982, by relocation of substantial portions of our programs to the new Van Ness Campus, our rental cost will increase by approximately six percent.

In Fiscal Year 1982, we are seeking a budget of $48,939,100 and 1,365 positions. This represents a base reduction over the previous year of $3.6

million in operating funds and a transfer of $7.6 million in debt service funds to the central "repayment of loans and interests" appropriation.

Mr. Chairman, the budget request presented to you today reflects our sensitivity to the national and local concern for responsible management of public funds. Moreover, it reflects the University's awareness of the need for austerity and prudent fiscal management in a period of rising costs.

This committee's interest in and support of the University of the District of Columbia since its authorization by Congress have permitted us to take these responsible actions in a fashion that is orderly and in furtherance of our development. On behalf of our students and the residents of the District of Columbia for whom the University was created, I respectfully request this committee's continued support.

Thank you, Mr. Chairman. Dr. Parker, Dr. Wilson, my colleagues, and I will be happy to answer any questions the committee may have concerning this budget request or more generally about the University and its programs.

INTRODUCTION OF STAFF MEMBERS

Senator D'AMATO. Dr. Carter, let me ask you, I notice that during fiscal year 1982 the university will be in its first full year of the long-range master plan. I am wondering if you could summarize and give us your hopes, expectations, and goals for fiscal year 1982.

Mr. CARTER. I am glad you asked. First, let me say it is a pleasure to be here, and let me introduce my colleagues. On my left is Dr. Marjorie Parker, chair of the board of trustees.

Senator D'AMATO. I served on a local community college board, and I want to tell you I hope your board runs more smoothly than the one I served on because it was a tempestuous relationship that existed between the various areas of local government, the county supervisor, of which I was a member, and then the trustees at another level not in the academic community. I imagine you have that same kind of structure here with your local City Council, your board of trustees, then the administration. I wish you all the luck.

Dr. PARKER. Thank you very much. We need all the help we can get.

Mr. CARTER. To Dr. Parker's left is Dr. Alton Wilson, who is chairman of the Finance and Audit Committee of the Board. To my far right is Dr. Leroy Keith, executive vice president of the university, and to my immediate right is Mrs. Vivian Taylor who is the budget officer for the university.

LONG-RANGE MASTER PLAN

As you indicated, we are in the first year of our master plan. As far as our objectives are concerned, we are initiating some new programs in the graduate area, in management, in special education, and labor studies. We are reexamining our continuing education program to make it more responsive to the interests and needs of the people of the District. We are continuing with the consolidation of our departments and programs, particularly in the colleges of physical science, engineering and technology, and education and human ecology. Our college of physical science is also engaged in a project which I think would be of interest to you: An attempt to stimulate more interest in mathematics and science in the junior high schools. The faculty of that college is going out to work voluntarily with the schools in that respect.

We are also concerned in our university college, where students first come to the university, with our retention studies to determine how effective the college and tutorial programs are. We also want to work more with the student programs, to counsel with the students.

We are trying to strengthen the management of the institution in the area of registration. We are putting in a new system and are trying to improve our registration processes, as well as recordkeeping.

We are also concerned with the financial management system of the university and its relation with the District.

Finally, understandably, in these times, we are working on financial development in the private sector to increase contributions from the private sector to the university.

These are among the objectives.

DEVELOPING PRIVATE RESOURCES

Senator D'AMATO. The budget appears to show no private grants contemplated, so that any of those grants would be kind of above and beyond, and there is an effort that will be made.

Mr. CARTER. That is right. We are making an effort, Mr. Chairman. It is a relatively new thing. Predecessor institutions did not have significant private fundraising programs. Our initial efforts at the university were concerned with consolidation. We are now attempting to develop private resources. The board organized a university fund, the UDC Fund, Inc., which is to help raise funds in the private sector, and we expect to concentrate more in this area. Of course, this would always be a qualitative improvement in programs. We can never rely, at least in the foreseeable future, on significant revenue from private sources.

CONTINUING EDUCATION PROGRAM

Senator D'AMATO. Let me ask your activities in the area of continuing education. Have you found a marked increase in that area in participation from the nontraditional students, a woman returning to the work force who comes back to college for enrichment? Are there marked increases in that area of activity?

Mr. CARTER. The university is somewhat unique in the sense that, as the one public university for the District of Columbia, our population on the whole is nontraditional. Our students are older—28 years old by average. We have more women students than men. Many of them are people reentering the labor market, people who are working part-time and trying to upgrade themselves or who have had children and have now come to an age when they can take at least some academic work.

Senator D'AMATO. So you have not experienced the sharp increase in this area that may be experienced at other institutions.

Mr. CARTER. At other institutions that have more traditional enrollments, that is true. Because we are the land grant institution for the District, we do have a cooperative extension service and have offered some noncredit courses. We are also now stepping up our more traditional continuing education activity. We have done a fair amount on contract. Now we are talking about offering courses more generally, and the initial ones we have offered have shown increased enrollments.

Senator D'AMATO. Let me ask how much of the university's $60 million annual budget is paid out of tuition charges?

TUITION REVENUE

Mr. CARTER. In the budget now before you, Mr. Chairman, we are projecting for next year tuition revenue of $3.1 million.

Senator D'AMATO. So tuition revenue makes a small part.

Mr. CARTER. Yes, it is increasing, but it is small.

Senator D'AMATO. How much per credit hour do you charge?

AMOUNT PER CREDIT HOUR

Mr. CARTER. We charge per credit hour, I believe—let me say that for residential students we will be charging in the fiscal year $330 a year.

Senator D'AMATO. That is full-time?

Mr. CARTER. Yes. Part-time, for 1 to 3 hours, we are charging $42, and for up to 11 hours we charge $13.80 per credit hour. It varies on the graduate level; it is higher than that, of course.

Senator D'AMATO. Have you built in any proposed increases?

Mr. CARTER. This represents a 100-percent increase from the earlier charge. We have been charging, up to this year, $165. When the university was first formed, I think it was around $105. Then it was increased to $135, then $165, and now $330.

Senator D'AMATO. I have just been informed that we have a vote coming up. Let me say to you that obviously we have an issue in terms of higher education, particularly in the District of Columbia. We talk about increasing the tuition, the doubling of it. Obviously even though it is a very attractive tuition, I think you have shown judgment in not going higher than that because we want people to avail themselves of that opportunity and in the long run it pays great dividends.

QUESTIONS FOR THE RECORD

We may have some additional questions for you in terms of your campus construction, and we wonder if you would be good enough to answer those questions we submit and give us the benefit of an early response.

Mr. CARTER. We would be very pleased to do that.

Senator D'AMATO. I want to thank you very much, sir.

Mr. CARTER. Thank you, sir.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

UNIVERSITY OF THE DISTRICT OF COLUMBIA

QUESTION:
1. During FY 1982 the University will be in the first full of its Long Range Master Plan. Describe for us briefly your goals and expectations for FY 1982.

ANSWER:
1. Included in the University's goals for FY 1982 are:

- New programs in management special education and labor studies are being initiated in the graduate area.

- Improving the Continuing Education program to make it more responsive to the residents of the District of Columbia.

- Financial development in the private sector.

- Expansion of the self-supporting operations of the Institute of District Affairs.

- Establishment of the Institute of International Affairs.

- Pursuit of accreditation by the College of Business and Public Management.

QUESTION:
2. What is the tuition per credit hour at UDC?

ANSWER:
2. a. Tuition Rates for Undergraduate Resident Students

(1)	Full-time	
	$330.00	$165.00 per term
	(12 hours or more)	
(2)	Part-time	
	1-3 hours	$ 42.00
	4-11 hours	$ 13.80 per credit hour

b. Tuition Rates for Undergraduate Non-Resident Students

(1)	Full-time	
	$1,580.00	$790.00 per term
	(12 hours or more)	
(2)	Part-time	
	1-3 hours	$184.85
	4-11 hours	$ 61.60 per credit hour

c. Tuition Rates for Graduate Resident Students

(1)	Full-time	
	$777.00	$388.50 per term
	(9 hours or more)	
(2)	Part-time	
	1-3 hours	$129.50
	4-8 hours	$ 43.20 per credit hour

ANSWER:
2. d. Tuition Rates for Graduate Non-Resident Students

(1)	Full-time $1,587.00 (9 hours or more)	$793.50 per term
(2)	Part-time	
	1-3 hours	$264.50
	4-8 hours	$ 88.20 per credit hour

QUESTION:
3. How much of the University's $60 million annual budget is paid out of tuition charges?

ANSWER:
3. The University's gross budget request of $60 million for Fiscal Year 1982 includes $3.1 million in projected tuition revenues.

QUESTION:
4. How many of your students receive grants-in-aid or participate in the student loan program?

ANSWER:

4. Student Loan Programs	1980 - 1981 Number of Students
National Direct Student Loan Program	22
Guaranteed Student Loan Program	228
Grant Programs	
Basic Educational Opportunity Grant	2,446
Supplemental Educational Opportunity Grant	478
Total	3,174

QUESTION:
5. What effect on the student population would result in reduction in this area?

ANSWER:
5. 1. National Direct Student Loan Program

This program is funded primarily from a revolving fund, the sum of which is determined by the amount of money collected from prior borrowers. None of the changes currently under consideration will impact UDC National Direct Student Loan borrowers.

2. Guaranteed Student Loan Program

During 1980-81 academic year, a significantly large proportion of UDC students (228) received benefits under this program. This represents a 46% increase over the 1979-80 year.

Some of the proposed changes will significantly reduce the number of students eligible to participate in this program for the forthcoming year.

ANSWER:
5. At the present time, the University has a policy restricting utilization of this program only to students not eligible for need-based programs. While the proposed $40,000-$50,000 income ceiling would not affect our participants, the application of a need basis approach would eliminate at least 95% of the University's current recipients.

Unless it is determined the in-school interest will be deducted from the student's loan at the time of the initial disbursement, the payment of in-school interest would discourage the majority of our students from utilizing the program. We estimate that approximately 45% (103) students) of the normal borrowers would not be able to utilize this program as a means of defraying this higher education costs.

Grant Programs

Pell Grant Program

We do not project that the proposed maximum Pell Grant Award of $1,750 (approximate UDC maximum award $888) will have a significant impact on our students. Our student awards would actually be somewhat higher (11% increase) than last year because of a rather large tuition increase, to become effective with the inception of the 1981-82 academic year. The maximum award of $1,650 combined with the effect of our tuition increase should enable our maximum award to be at least equal to last year's. Based on our projections, the proposed changes will not seriously impact the number of students participating in this program during the 1981-82 school year.

Supplemental Education Opportunity Grant Program

To our knowledge no proposals have been presented to change either the funding level or student eligibility criteria for participants in this program. Therefore, it has been determined the status quo will be maintained.

QUESTION:
6. You expect to offer 40 fewer classes next year. Which types will be eliminated? Will they be spread evenly among the various colleges or concentrated in a few areas?

ANSWER:
6. We have improved the scheduling of courses as a consequence of our planning activities and can make better use of existing time blocks to offer courses desired by students. In addition we plan to increase class size which will result in approximately 40 fewer classes.

QUESTION:
7. In FY 1982 your budget appears to show that you expect no private grants. Why is that?

ANSWER:
7. When the FY 1982 private grant budget estimates were formulated, some thirteen months ago, there were no proposal submissions pending

before private grantor agencies. Accordingly, no private grant estimates were made.

Subsequent to the time the FY 1982 UDC Congressional Budget Submission was made, proposals have been submitted and are pending before private grantor agencies.

DEPARTMENT OF PUBLIC LIBRARY

QUESTION:
1. The Library's budget is proposed to be reduced by about 30% in FY 1982. Will this affect the hours of service to the community?

ANSWER:
1. The 1981 budget includes $ 2,803,200 allotted to the Library as its share of the City's debt service. This inflated our 1981 appropriation from $ 11,243,200 to $ 14,046,400. The debt service has been withdrawn from the individual departmental budgets in 1982 and returned to a centralized account. Therefore, the proper comparison is between the 1981 appropriation without the debt service ($ 11,243,200) and the 1982 budget without the debt service ($ 9,979,300). The real reduction then becomes $ 1,263,900, or a loss of 11% from the 1981 level of funding. This loss will affect the hours of service to the Community. A decade of previous budget reductions has forced the reduction of hours in the branch libraries from 72 for all branches in 1971 to 40 hours for all but four branches which, up through FY 1981, have been functioning as regional branches open 64 hours a week in order to compensate to some extent for the reduced hours in the other (local) branches. However, with the 1982 reductions the Library will have to reduce the hours in the four Regional Branches from 64 to 48 a week. It is hoped that the 40 hours a week can be retained in the local branches.

QUESTION:
2. You expect to have fewer borrowers in 1982. Is this due to the reduction in branch library hours? Do you intend any sort of public service programs to increase borrowings, which might in turn lead to an increase in library resources?

ANSWER:
2. It seems likely that the 1982 reductions will inconvenience numbers of people who might otherwise visit the library. In addition to shorter hours of opening at the regional branches, there will be fewer staff available systemwide to serve the public during the reduced number of hours the library will be open. Finally, a 13% reduction in the book fund in FY 1981 (from $832,000 to $712,000) has forced a reduction in the number of books, periodicals and other library materials which can be bought. Not having the things people want also discourages them from coming to the library. This is real deprivation, since there is no alternate place where the person needing public library service can go to get it.

As for public service programs to increase borrowings, the library has had outreach programs going for a number of years. However, these have suffered along with other services as the funding reductions continued year after year. With the 1982 reductions, we can see no way of increasing outreach activities. The primary need now is for an increase in library resources, which would provide the best possible potential for increased borrowings.

QUESTION:
3. To what extent do District residents use the Library of Congress?

ANSWER:
3. There is no way of determining this, although we would guess that it is small. The Library of Congress (LC) and the District of Columbia Public Library (DCPL) have widely differing missions. LC is the Library for the U. S. Congress. It also serves as a national reference and research library. The DCPL is a local library for the use of the general public, from the very young to the very aged. LC does not serve the general public. For example, high school students are barred from using LC and are referred to their local public libraries. At LC, books can be used by the general public on the premises only, while the DCPL circulates most of its collections for home reading. Also, in contrast to LC, the DCPL provides many outreach services and programs necessary to a public mission, e.g., children's story hours, film showings, meeting rooms for community groups, etc.

COMMISSION ON THE ARTS AND HUMANITIES

QUESTION:
1. What impact on your 1981 and 1982 programs do you expect as a result of the Federal program reductions?

ANSWER:
1. The anticipated Federal program reductions will impact the D.C. Commission on the Arts and Humanities' FY 1981 and FY 1982 programs in a number of ways.

One, a reduction in the National Endowment for the Arts (NEA) Basic State Operating Grant (BSOG) currently approximately $300,000, will reduce the agency's block grant for programs and administration to $200,000. Two, the NEA has provided additional support for the agency's programs through Dance Touring and Artists-In-Education programs of approximately $110,000. At the present time, it is our understanding that both of these programs have been effectively discontinued by the planned reductions. Three, the reduction of general program funds for the NEA, Institute of Museum Services, National Endowment for the Humanities, and the Departments of Education, Commerce, Labor and Transportation will increase the demands upon the agency's limited program resources because local organizations have been able to receive direct funds from these agencies. During Fiscal Year 1980, the NEA granted $5 million to local arts institutions in Washington, D.C. If the Endowment's programs budget is reduced by 50%, as is currently budgeted, this will effectively mean that the D.C. Arts Commission will receive requests of an additional $2.5 million from organizations who until this time have not required this level of funding from state arts agency. The local legislature (City Council) has only recently recognized the demands which the dual functions of the agency as a state and municipal agency have placed upon the Commission. To date, no funds have been allocated to perform the functions of a community arts agency. In FY 1981, the City Council provided additional funds from the Department of Human Services to begin to address requirements of 504 legislation. Given the expected reduction of federal program support, it is unlikely the agency will have sufficient resources to provide targeted funding for special constituencies (i.e. the handicapped, minority, senior citizens, etc.). Finally, please note that the NEA's BSOG provides not only additional program funds for this agency but additional administrative funds as well. Most significantly, almost half (4 out of 9) of the agency's personnel are funded by the BSOG. Any reduction in Federal funds would result in a crippling reduction of staff for an agency whose staff resources are already accepted as limited.

SCHOOL TRANSIT SUBSIDY
FY 1981 SUPPLEMENTAL

QUESTION:
1. The Board has proposed that an increase in the School Transit Subsidy Program be given. Please give us the details of that proposal?

ANSWER:
1. The existing student fare on Metrobus and Metrorail is prescribed at 10 cents. The District pays to the Washington Metropolitan Area Transit Authority the difference between the student fare and the regular adult fare. The aggregate of these individual payments represents the School Transit Subsidy budget. The timing and magnitude of the adult metro fare increases of July 1980 and January 1981 were not anticipated in the original budget estimates.

In order to contain these non-discretionary subsidy increases, the D.C. Department of Transportation is supporting pending legislation that would index the student fare to one-third of the regular adult metro fare. An increase in metro fares would then automatically trigger a rise in the student contribution to help offset an increased subsidy payment. If this legislation is enacted as currently proposed, it would take effect in FY 1982.

QUESTION:
2. One aspect of the change would be to not allow students to use these reduced fare passes for trips which are not related to travel back and forth to school. Why was this decision made?

What is your estimate of the number of trips made in the evenings and weekends which are related to educational opportunities?

How will this affect them?

ANSWER:
2a. The School Transit Subsidy Act of 1978 states that:
"The reduced fare is valid only for transportation of students going to and from public, parochial, and private schools and to and from related educational activities in the District of Columbia".

The Department of Transportation is obligated to comply with the requirements of this legislation and must limit subsidized student travel to those students that have a legitimate purpose. It was never intended that this program should encompass a youth fare that would accommodate recreational and work trips. In addition, budgetary constraints have imposed limits to the program and available funds must be directed to the primary purpose of transporting students to and from school.

2b. There is no survey data available that can provide an estimate of the number of educationally related trips during weekends and evenings. We do know, however, that the total student ridership on Saturdays and Sundays exceeds 700,000 trips per year.

2c. Students who have a legitimate edicationally related purpose for travelling during evenings, weekends and vacation periods will not be affected by the new rules and regulations. Access to Metrobus and Metrorail for these students will be unrestricted, with the fares priced as for a normal school trip. D.C. Department of Transportation however, will require enrollment lists from school and program administrators as a means of verifying student participation in the respective programs.

DEPARTMENT OF ENVIRONMENTAL SERVICES

STATEMENT OF GEORGE B. STRYKER, ACTING ADMINISTRATOR, WATER RESOURCES MANAGEMENT ADMINISTRATION

ACCOMPANIED BY:
- EDWARD R. LINGENFELTER, BUDGET OFFICER
- ANN C. WITT, ACTING DEPUTY ADMINISTRATOR, SOLID WASTE MANAGEMENT ADMINISTRATION
- EDWARD M. SCOTT, CHIEF, REVENUE DIVISION
- LESTER A. SLOCUM, JR., ACTING ADMINISTRATOR, ENGINEERING AND CONSTRUCTION ADMINISTRATION
- CAROL MEYERS, ACTING DIRECTOR, FISCAL POLICY AND PLANNING, OFFICE OF BUDGET AND RESOURCE DEVELOPMENT

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. Our next witness this morning is George Stryker, the Acting Director of the Department of Environmental Services.

PREPARED STATEMENT OF DIRECTOR WILLIAM JOHNSON

Mr. Stryker, inasmuch as we do have your statement, I am going to ask that your statement be submitted in the record as if read.

[The statement follows:]

STATEMENT OF WILLIAM B. JOHNSON

I AM PLEASED TO APPEAR BEFORE YOU TO PRESENT THE 1982 OPERATING AND CAPITAL OUTLAY BUDGETS FOR THE DEPARTMENT OF ENVIRONMENTAL SERVICES.

EXCLUDING DEBT SERVICE, THE GENERAL FUND OPERATING AND CAPITAL OUTLAY BUDGETS ARE $29,915,100 AND $5,473,100 RESPECTIVELY. THE WATER/SEWER ENTERPRISE OPERATING BUDGET IS $66,830,000 WITH A CAPITAL OUTLAY BUDGET OF $28,552,600.

THE MAJOR GENERAL FUND ACTIVITIES OF THE DEPARTMENT ARE THE COLLECTION AND DISPOSAL OF SOLID WASTES, AND ENVIRONMENTAL HEALTH PROGRAMS OF AIR, WATER, AND NOISE POLLUTION MONITORING AND THE DETECTION AND ELIMINATION OF ENVIRONMENTAL HEALTH HAZARDS.

IN 1982 THE COLLECTION OF SOLID WASTE WILL BE TAILORED TO MEET DIFFERING CITY CONDITIONS. THE USE OF SUPER CAN IS TO BE EXPANDED TO WARDS 3, 5, 6, AND 8. CITIZEN REVIEWS ON THIS SERVICE HAVE BEEN EXCELLENT CONVINCING US THAT THE INTERESTS OF THE CITY WILL BEST BE SERVED THROUGH THE EXPANSION OF THIS PROGRAM TO THE OUTER RING OF THE CITY. TWICE WEEKLY COLLECTION WILL BE CONTINUED IN THE CENTRAL CITY THROUGH THE USE OF TRADITIONAL THREE MAN CREWS.

AS IN SOLID WASTE COLLECTION, DIFFERING METHODS OF STREET CLEANING WILL BE UTILIZED IN DIFFERENT AREAS OF THE CITY AS DETERMINED BY CONDITIONS SUCH AS ON STREET PARKING DENSITY, LITTER GENERATION RATES AND VOLUME. THROUGH THE USE OF MECHANICAL SWEEPERS AND FLUSHERS, WHERE POSSIBLE, WE HOPE TO INCREASE STREET CLEANING FREQUENCIES FROM ONCE EVERY FOUR AND ONE HALF WEEKS ON THE AVERAGE TO ONCE EVERY TWO WEEKS.

LEAF COLLECTION WILL BE IMPROVED THROUGH THE USE OF 75 TEMPORARY POSITIONS FOR THE LEAF COLLECTION SEASON.

THE DANO CONTRACT WILL PERMIT THE CLOSURE OF THE FORT TOTTEN TRANSFER STATION DUE TO THE EILIMNATION OF THE NEED TO PROVIDE DISPOSAL FACILITIES FOR 260,000 TONS OF REFUSE.

ENVIRONMENTAL HEALTH PROGRAMS PRIORITIES WILL CONTINUE AT THE 1981 LEVELS EXCEPT THAT THE NOISE CONTROL PROGRAM IS BEING ELIMINATED IN THIS BUDGET. NOISE CONTROL WILL BE HANDLED ON A COMPLAINT BASIS ONLY WITH OTHER EXISTING STAFF.

ADMINISTRATIVE PROGRAMS WILL CONTINUE AT THE 1981 LEVELS.

THE CAPITAL PROGRAM CONSISTS OF THE FOLLOWING THREE PROJECTS:

1. FURNACE TEMPERATURE CONTROL AND UPDATE AIR QUALITY EQUIPMENT AT SOLID WASTE REDUCTION CENTER #1. $4,776,400.

2. RELIEF OF FLOODING AND DRAINAGE COMPLAINTS, $500,000.

3. CONVERSION OF THE NEW JERSEY AVENUE AND "K" STREET TRANSFER FACILITY TO AN EMPLOYEE AND MAINTENANCE HEADQUARTERS FOR THE SOLID WASTE MANAGEMENT ADMINISTRATION, $196,700.

THE WATER/SEWER ENTERPRISE FUND PROVIDES FINANCING FOR THE DISTRIBUTION OF POTABLE WATER AND THE COLLECTION AND DISPOSAL OF LIQUID WASTES FOR CUSTOMERS LOCATED BOTH INSIDE AND OUTSIDE THE DISTRICT OF COLUMBIA BOUNDARIES.

OPERATING INCREASES IN THE WATER/SEWER ENTERPRISE FUND ARE $10,969,600 IN THE FOLLOWING PROGRAM AREAS:

WATER RESOURCES MANAGEMENT, $9,821,200

PROVIDES FOR A REDUCTION IN THE BACKLOG OF WATER SERVICE HOUSE CONNECTIONS TO BE REPAIRED; ACCELERATED REPLACEMENT OF RESIDENTIAL AND COMMERCIAL METERS; REDUCTION IN THE BACKLOG OF SEWER LATERAL REPAIRS; IMPROVEMENTS IN SERVICE TO THE PUBLIC THROUGH ADDITIONAL SEWER CLEANING CAPABILITIES AND INVESTIGATION OF SEWER STOPPAGE COMPLAINTS; SYSTEMATIC CLEANING OF CATCH BASINS; IMPROVED RESPONSE TO SEWER EMERGENCIES DURING NON REGULAR WORK HOURS; EQUIPMENT REPLACEMENT; MAINTENANCE AND REPAIR OF FACILITIES AND FIXED EQUIPMENT IN THE WATER AND SEWER SYSTEMS; AND OPERATION OF THE WASTEWATER TREATMENT PLANT AT PERMIT LEVELS.

OFFICE OF FACILITY PLANNING, ENGINEERING AND CONSTRUCTION, $948,400

PROVIDES FOR A WATER, SEWER INSPECTION PROGRAM AND WATER, SEWER, AND WASTEWATER TREATMENT PLANT INVENTORIES TO FACILITATE FUTURE CAPITAL BORROWING.

ADMINISTRATION, $200,000

ADMINISTRATIVE PROGRAMS WILL REMAIN AT THE SAME LEVEL IN 1982 EXCEPT FOR THE REVENUE DIVISION WHERE FUNDING IS PROVIDED FOR CONTRACTING OUT THE DATA PROCESSING FUNCTIONS NOW PERFORMED BY THE DISTRICT'S COMPUTER CENTER.

THE CAPITAL OUTLAY PROGRAM INCLUDES: WATER SERVICE EXTENSIONS, $1,000,000; SEWER SERVICE EXTENSIONS, $500,000; WATER POLLUTION CONTROL PLANT CONSTRUCTION, $841,800; COMBINED SEWER OVERFLOW ABATEMENT PROGRAM, $293,000; REPLACEMENT OF SANITARY SEWERS, $500,000; TRUNK AND SECONDARY WATERMAINS, $515,000; REPLACEMENT OF UNDERSIZED AND DEFECTIVE WATERMAINS $150,000; CROSSTOWN WATERMAIN, $19,553,000; REPLACEMENT OF A 48 INCH DIAMETER LOW

SERVICE WATERMAIN FROM BRYANT STREET PUMPING STATION TO THE CROSSTOWN WATERMAIN, $3,061,000; ELEVATED WATER STORAGE TANKS, $843,400; AND ADDITIONS AND MODIFICATIONS TO POTOMAC PUMPING STATION, $1,140,000.

APPROVAL OF THIS BUDGET WILL REQUIRE WATER AND SEWER RATE INCREASES TO PROVIDE FINANCING.

MR. CHAIRMAN, THIS CONCLUDES MY STATEMENT.

REPLACING WATER MAINS

Senator D'AMATO. I am impressed with the activity that your department has undertaken, also the fact that we have some very unusual problems, unusual maybe in the sense that traditionally people are not aware of the things that are taken for granted. For example, the fact that two-thirds of the city's miles of water pipes are either beyond the normal use of life or inadequate size or not of material for current conditions, and this places a great strain on resources and obviously is very important and the average citizen doesn't think of these things. What are your chances for implementing the kind of program to deal with some of the things in capital replacement and costs attendant thereto? What about the programs which you have enacted or will be in terms of sewer ability?

Time does not permit us to go into detail on these this morning.

REDUCTION IN FEDERAL GRANTS

I understand there is a contractor in the bill collecting system. What effect have they had on collections? Those things are important and that kind of information we would like to have, the manner they operate the system. What effect will the reduction in the Federal grant-in-aid program have? Obviously you have begun to undertake some meaningful changes, yet you now find yourself or will find yourself replacing much, that there will be certain cutbacks in some of these grant-in-aid programs. You will have to be fighting for that dollar if it comes out of the grant system as well as other departments.

I ask you if you would bear with us and if we couldn't submit these questions in writing. Let me commend you because it is the people who do battle day in, day out in the city's administration who may not set the policy but who are there to implement it and will get the blame who have an especially difficult task in these days of budget constraint. So we will submit to you these questions. For the record, would you just introduce yourself and those people who are with you.

Mr. STRYKER. Thank you, Mr. Chairman.

INTRODUCTION OF STAFF MEMBERS

Mr. Chairman, I am George Stryker and acting for Mr. Johnson who is home ill today. On the far left is Ms. Ann Witt, who is Acting Deputy Administrator for the Solid Waste Management Administration.

Senator D'AMATO. Oh, gosh, anybody who handles that, we could spend days just talking about that aspect, solid waste management.

Mr. STRYKER. Next to Ms. Witt is Mr. Slocum who is Acting Administrator for the Engineering and Construction Administration.

Senator D'AMATO. Much easier than solid waste.

Mr. STRYKER. To my far right is Mr. Edward Lingenfelter, who is the budget officer for the department. On my immediate right is Ms. Carol Meyers who is Acting Director of Fiscal Policy and Planning, Office of Budget and Resource Development; and Mr. Ed Scott, who is chief of the Revenue Division.

We will be happy to respond to the questions we will be receiving, sir, and trust our response will be adequate.

QUESTIONS FOR THE RECORD

Senator D'AMATO. I am going to adjourn this hearing and I am going to submit some questions to you and particularly in the area of water programs, in terms of collection and private contractors and how you are doing. Then I would be most interested if you would give us some insight in terms of your solid waste situation, both the collection and disposal system, as to what you project, what you are doing and what your projections are in this area. I would be very appreciative. That was almost my life's work, so it will be interesting.

[The following questions were not asked at the hearing but were submitted for response for the record:]

Questions Submitted by Senator D'Amato

DEPARTMENT OF ENVIRONMENTAL SERVICES
F.Y. 1981 SUPPLEMENTAL

QUESTION:
1. DES expects a net decrease of $121,600 in F.Y. 1981. How was that figure arrived at?

ANSWER:
1. $575,000 is being reprogrammed out to Human Support Services to meet obligations of that Department during Fiscal Year 1981 which were not adequately funded in the original appropriation. $453,400 is being reprogrammed in from Economic Development and Regulation to properly allocate debt service among General Fund agencies. The difference between the transfer out of $575,000 and the transfer in of $453,400 is a net decrease of $121,600.

QUESTION:
2. In the Mayor's supplemental request you note that the reprogramming of $575,000 is made possible by leaving vacant certain positions and limiting overtime. What impact will this have on services? Will any federal grant funds be lost due to a lack of the local matching amount?

ANSWER:
2. This transfer of funds will delay the filling of several positions in Air and Water Quality and will require that 43 persons be riffed on an accelerated schedule in the street and alley cleaning program. These 43 positions have been deleted in the 1982 budget due to increased mechanization of the street cleaning program and the use of supercan in various areas of the city. Since their release will be required before 1982, however, their loss will adversely impact on the Department's street and alley cleaning efforts this summer. The impact on grant funds will be minimal.

QUESTION:
3. An increase of $1,307,600 is necessary in the Water and Sewer Enterprise Fund due to the fact that contract operations at Blue Plains for sludge disposal will not begin this year. Why and when will this begin?

ANSWER:
3. The contractor for sludge disposal through a composting operation, DANO, defaulted and the City terminated the contract on April 29, 1981.

GENERAL FUND

QUESTION:
1. There is a reduction of $7,824,800 for Other Than Personal Services; however on page LA-4, the figure is shown as an addition. Please explain?

ANSWER:
1. In 1982 Other Than Personal Services is $7,824,800 less than in 1981. The plus sign is a typing error. The decrease is due to a change in the budgetary location of debt service. In 1982 debt service is carried in a separate budget category "Repayment of Loans and Interest." In 1981 Debt Service was allocated to each Agency (See page ZB-1 on page 434 of the 1982 Budget, Volume 11).

QUESTION:
2. On page LA-3 you state that you expect to receive $1,228,000 in Federal Grants. The itemized figure adds up to $1,152,500. Please explain?

ANSWER:
2. The summary on page LA-3 does not include indirect overhead cost recovery. Page LA-25 itemizes the grant revenues including overhead and totals to $1,228,000.

QUESTION:
3. On page LA-4 you show an increase of $142,000 for professional services fees and contracts. Would you please elaborate?

ANSWER:
3. $200,000 increase for water/sewer billing program, $23,000 decrease in laboratory services in Environmental Health and a $35,000 decrease in the costs associated with solid waste disposal fees paid to the Council of Governments in connection with the I-95 Landfill. This is a net increase of $142,000.

QUESTION:
4. On page LA-19, you state that the F.Y. 1982 request is for $2,284,200. On page LA-20 you show a F.Y. 1982 request for $2,384,200. Please explain?

ANSWER:
4. The $2,284,200 figure on page LA-19 is a typing error. The correct figure is $2,384,200 a decrease from 1981 of $105,200.

QUESTION:
5. On page LA-19, reference is made to the elimination of the Noise Control Program, and that the District will respond on a complaint basis.

a. How many complaints do you anticipate, and what types of noise complaints are prevalent?

ANSWER:
5. We anticipate approximately 200 noise complaints. The most prevalent types of complaints are home or business oriented such as loud parties, loud stereo players, loudspeakers in front of businesses, loud air conditioners, etc..

QUESTION:
6. On page LA-9, reference is made to service provided by Maryland and Virginia. Would you please elaborate?

ANSWER:
6. The Department provides sewer services to Maryland and Virginia. These jurisdictions are users of the Waste Water Treatment Plant and some of the sewer lines bringing sewage to the plant. The District charges for these services based on each jurisdiction's share of the total sewage flows being treated at the plant. These flows are metered as they enter the District's system.

QUESTION:
7. The District has recently hired a Dallas-based firm to run the water and sewer billing system.

a. What has been the effect of the new firm's involvement?

b. How much in delinquent charges has been collected since the firm took over?

c. How long will they operate the system?

d. Do you ever intend for the District to take over the system? If so, when?

ANSWER:
7. The District is only contracting out the Data Processing activities formerly performed by the District's SHARE Computer Center. These services include all keypunching, all data processing equipment, and the services of a senior analyst/Programmer.

a. Billings are being rendered on a current basis, program enhancements are being made, response time for customer inquiries has been significantly reduced.

b. In the past two months $3,000,000 in delinquent charges has been collected.

c. The current contract runs through September 30, 1981. A new contract will have to be negotiated for next fiscal year.

d. Senator D 'Amato, in his letter approving the reprogramming to implement this contract stated "The Committee would expect, however, that once the FMS is capable of handling the additional workload, that this function would be transferred back to the city." This is the guideline the City will follow to determine if and when we will again take over the system.

QUESTION:
8. On page 397 one of the program measures cited is "No. of junked and abandoned vehicles processed."

a. How many people and what type (driver, clerks, mechanics, etc.) are involved with the 12,000 vehicles?

b. What is done with the vehicles?

c. How much does it cost to "process" such vehicles?

d. How much does the City receive for the scrap value of the vehicles?

e. Where are the revenues from the disposal accounted for? Please indicate the location in the budget and the amount involved.

ANSWER:
8. a The abandoned car unit consists of two clerks, one DS-06 and one DS-04 and part time of a DS-11 Supervisor. The vehicles are picked up by private contractors.

b. The Police label the vehicles as either "Junked" or "Blue Plains." The Blue Plains vehicles are auctioned off by the Police and the junk vehicles go to a junk contractor.

c. Annual costs incurred by this Department are approximately $100,000. This is a Police Department program for which we receive monthly cost reimbursement. The costs incurred by the Police Department are not known.

d. The revenue is collected by the Police Department and is included in Revenue Source 1607 on page FA-24, 392 of the 1982 Budget, Volume I.

e. The revenue is collected by the Police Department and is included in Revenue Source 1607 on page FA-24, 392 of the 1982 Budget, Volume I.

QUESTION:
9. Office of Environmental Standards and Quality Assurance
There are five responsibility centers for this office. The Consumer Health Services Center is responsible for conducting an inspection and surveillance program of licensed food and other commercial businesses for the purpose of protecting the public health, welfare and safety. On page LA-18 of the budget justification you stated one of this office's functions is to maintain an acceptable level of sanitation and compliance in all licensed establishments in spite of the reduced number of inspections necessitated by personnel reductions. On page LA-20, the 1982 budget request shows 27 (requested) positions for Consumer Health Services a decrease of only 1 from 1980.

a. Please explain why you stated that the number of inspections have been reduced because of personnel reductions when there was only 1 authorized position cut since 1980?

ANSWER:
9. a. Of the 100 authorized positions in the Office of Environ mental Standards and Quality Assurance only 89.9 are funded on a full time basis. In addition a District wide personnel freeze in 1980 and a Department freeze in 1981 has prevented the filling of vacancies as they occur. Consumer Health has had as many as seven vacancies for long periods of time seriously hampering their ability to maintain inspection standards.

QUESTION:
10. The budget justification, page LA-19, provides that savings in the Other Than Personal Services category will be effected by the elimination of the Noise Control Program and a reduction in equipment funds. The justification further states that the Department has determined that noise levels require attention on a complaint basis only and that a legislative change is required to remove the requirement to maintain statistical information on noise monitoring at auto inspection stations.

a. Please explain the noise control program. Will the entire program be eliminated? What are the costs of operating the program? What budgetary provisions have been made if the legislative change is not made?

ANSWER:
10. a. The District of Columbia Noise Control Act of 1977 provided for the regulation of noise levels in the District. The Agency was to conduct programs of public education regarding the causes, effects and general methods of abatement and control of noise and vibration; educate the public concerning the actions prohibited by this Act and the procedures for reporting violations established and publish test procedures to be used for measuring sound levels in determining compliance with the noise Act establish noise assessment guidelines; and conduct noise studies of specific areas in preparation of environmental impact statements.

The entire program of one DS-11 Noise Engineer, one DS-09 Sanitarian, and $20,400 for consultant services is eliminated in the 1982 budget, ($61,800 for the total program). The program will be handled on a complaint basis only in 1982. There are no budgetary provisions if the legislation is not changed.

WATER AND SEWER FUND

QUESTION:

1. On LC-4 you stated that the F.Y. 1982 budget request is for $66,830,000 and 929 appropriated positions, yet on LC-3 the appropriated request is for $66,830,000 and 1028 positions.

a. Would you explain why you are requesting funding for 1028 continuing full time positions when it appears you are only going to staff 929 positions?

ANSWER:

1. The 929 appropriated positions quoted on page LC-4 is in error. The authorized strength of 1028 positions on Page LC-3 is correct. Authorized strength is never fully funded. The average employment funded on a full year basis is 830.9 positions (Pg. LC-5). Authorized strength is greater than fully funded strength to allow for turnover and delay in filling vacancies.

QUESTION:

2. On LC-8 you show 96 positions being redirected to the Enterprise Fund from the General Fund but you do not show any redirection of funds to pay for these positions.

a. Where will funding come from to pay for these 96 positions? Did prior funding of these positions remain in the General Fund? If so, what will that funding be used for in the General Fund?

ANSWER:

2. The Revenue Division is currently an organizational entity of the Office of Budget and Finance and Material Management, Responsibility Center 0105. This Office is funded from both General and Water/Sewer Enterprise Funds with the Revenue Division being totally funded from Water/Sewer Enterprise funds. In the 1981 Budget this Office was reporting in the General Fund Budget even though it was multiple funded. In 1982 the Revenue Division has been transferred to the Water/Sewer Budget and established as a separate responsibility center (see page LC-7). Since the funding was already in the Water/Sewer Budget, only the positions were moved.

QUESTION:

3. You state on LC-6 that the Revenue Division will be contracting out the water and sewer billing functions now performed by SHARE.

a. What is the cost of this contract?

b. How long is the contract to remain in effect?

c. Have any estimates been made regarding the additional revenue that will be realized by contracting out the billing function?

d. Since the billing function has been contracted out is it necessary to have 96 positions in the Revenue Division? What will these people be doing?

ANSWER:
3. a. The estimated annual cost is $300,000.

b. The contract will re renegotiated annually. The current contract expires September 30, 1981.

c. Additional revenue is not one of the benefits of this program. This contract is for the performance of the data processing functions now performed by SHARE. Program benefits consist of a stabilized billing operation, timely customer response capability and backup capabilities for maintaining and enhancing the system.

d. The work that was contracted out was basically work performed by the District's SHARE Computer Center not the Revenue Division. Only two keypunching jobs are no longer required, however, those employees are being utilized in other program areas. The Revenue Division employees read meters, perform inspections, turn water service off and on, process payments, respond to customer inquiries, review and approve reading and billing adjustments, perform quality review and control of system inputs and outputs and all other functions connected with a major utility.

QUESTION:
4. On LC-11 (P. 454) you are requesting six (6) new positions to initiate a water and sewer inspection program.

a. Who previously performed the inspection program?

b. Why do you feel it necessary to have your own inspectors?

ANSWER:
4. a. The responsibility was with the Department of Licenses, Investigations and Inspections, however, the inspections were never performed due to lack of personnel.

b. It is necessary to inspect utility construction and connections to mains etc. to assure that District standards are being met.

QUESTION:
5. You show the redirection of three (3) positions from Environmental Planning but no corresponding salary.

a. How will these positions be funded?

b. What will be done with the funds previously associated with these positions?

ANSWER:
5. a. Environmental Planning was a multi-funded organization. The three positions transferred were already funded from Water/Sewer Enterprise funds, hence the need to only transfer the positions.

b. The funds associated with these positions are in the Water/Sewer Enterprise fund and will be used to fund the three positions transferred.

QUESTION:
6. Would you please explain the $835,000 increase requested for inventory of the Wastewater Treatment Plant? Your explanation "to value those systems and facilitate capital borrowings" is too vague. (LC-11, p. 454).

ANSWER:
6. The $835,000 request is for an evaluation and inventory of the water and sewer system and wastewater treatment plant. The purpose of the request is to determine the age and condition of the infrastructure of the city, establish replacement schedules for budgetary purposes and generally provide for the upgrading of the services systems on a scheduled, cost effective basis.

QUESTION:
7. One question we have for now is whether all of the additional positions you are requesting are going to be permanent or not? It appears that some of the positions are to help relieve the backlog of work that has developed in certain areas.

ANSWER:
7. All of the positions requested will be permanent. Backlogs of work have developed throughout the Department due to inadequate staffing. The positions requested will relieve these backlogs but the objective is to provide permanent maintenance personnel to meet industry maintenance standards.

QUESTION:
8. Although the total budget request for the Department of Environmental Services shows a decrease in positions and funds for personal services, two control centers show an increase in positions and funds. The Office of the Director, Administration, page LA-6 shows an increase of 9 positions and $11,800; and the Office of Environmental Standards and Quality Assurance, Administration page LA-20, show an increase of 2 positions and $75,000.

a. Please explain these increases in positions particularly when there are substantial reductions being proposed in Departmental operations.

ANSWER:
8. a. These additional positions are not new positions. The Office of Environmental Planning and Management is being abolished in 1982. Nine of the positions in that organization are being transferred to the Office of the Director and two to the Office of Environmental Standards and Quality Assurance. Staff is being realigned to eliminate bottlenecks and provide for more effective planning and program thrusts. Internal support services are being reduced and additional staff assistance is being provided to operational areas.

QUESTION:
9. On page LC-15 and LC-16 7 positions and $146,400 are being

requested to accelerate replacement of faulty residential and commercial water meters which will provide increased revenues.

a. How many water meters need replacement? Will this be a continuous replacement process, i.e., are these positions going to be temporary? How much do you expect to receive in increased revenues?

ANSWER:

9. a. With the funds requested in 1982 1,000 additional domestic water meters will be replaced and 500 additional federal and commercial meters. It is estimated that there are currently 11,500 commercial water meters in the system requiring removal and replacement. The precise number can only be obtained after every meter in the system has been tested. This will be a continuous testing, repairing, replacement process requiring on going permanent staff to assure that the maximum revenue potential is achieved through properly registering meters. It has been estimated that after the completion of a full rotation process as much as $8,000,000 will be realized annually in water/sewer revenues.

QUESTION:

10. On page LC-20 of your budget justification, $500,000 is being requested to contract for a one time 5 year program to clean the 28,000 existing catch basins so that they can be subsequently properly maintained by D.C. Personnel. Also, on page LC-17, 6 positions and $65,100 is being requested to provide a systematic catch basin cleaning program to eliminate current capability of maintaining catch basins on a complaint basis only. On page LC-12, under program measures, you stated that you expect to clean 17,500 catch basins in fiscal year 1982.

a. Is the $500,000 requested for one year or five years? If it is for 5 years why is the entire amount being requested for fiscal year 1982? If it is not for five years, what will be the total cost?

b. According to your program measures, 17,500 catch basins will be cleaned in 1982. This represent about 63 percent of this total -- 28,000 -- existing catch basins. Why will it take 5 years to contract to clean 28,000 catch basins when over 60 percent of them will be cleaned in 1982?

ANSWER:

10. a. The $500,000 request is an annual increment for a five year period. The total cost of the program is $2,500,000.

b. Catch basins should be cleaned on a uniform schedule of once each 1½ years to properly maintain the system. At the present time we are only cleaning on a complaint basis. The contractor will clean 10,000 basins per year for a five year period until the Department is able to maintain, with its own resources, the system as it should be and reduce flooding complaints.

QUESTION:

11. On page 474 and 475 (Vol. II, LC-CAP-1,2) you show eleven (11) projects for which funding is being requested for F.Y. 1982. Two

of these projects (LA-573 and LA-864) are new projects to be started in F.Y. 1982 while the remaining nine (9) projects have been ongoing, some since 1960.

In comparing your F.Y. 1982 budget submission with your F.Y. 1981 budget submission for the ongoing projects, it was noted that some listed as projects in 1982 were not shown in F.Y. 1981. Those in question include 32-504, 32-801, LA-817, and LA-565.

a. Would you explain why the above four (4) projects were not included in the F.Y. 1981 submission but are included in your F.Y. 1982 budget submission?

b. It is safe for us to assure that the following projects shown in your F.Y. 1981 budget submission have been completed? (LA-138, I-95 Site Development LA-568 Dueling Branch Relief Sewer; and LA-164, Kearney Street Flooding).

ANSWER:

11. a. Projects 32-504 and 32-801 had adequate unobligated funds remaining from prior year's appropriations to carry construction through fiscal year 1981 without additional funding in that year. Project LA-817 was awaiting site acquisition to continue construction and project LA-565 was delayed due to overall District of Columbia Capital funding problems. Funds are required in F.Y. 1982 for these projects.

b. Project LA-138, I-95 Site Development, is a General Fund project which will require future funding. This is the site of the Lorton Landfill and funds for land preparation (excavation etc,) will be required. Project LA-568 Dueling Branch is completed and LA-164 Kearney Street Flooding was not approved by the Congress in the 1981 budget. This project is included in a budget supplemental request for F.Y. 1981

QUESTION:

12. The committee has been very concerned with the status of the infrastructure of the city. The water and sewer system is a major component of that system. The Federal City Council recently noted in a report that more than 2/3 of the City's miles of water pipe are either beyond the normal useful life or of inadequate size or material for current conditions. How much do you have budgeted in F.Y. 1982 to repair or replace this pipe?

a. How much will that do?

b. What is your backlog of maintenance and how long will it be before this is eliminated?

c. You have contracted with a consultant to inventory sections of pipe where there may be problems. Do you have the results yet?

d. Are funds requested in 1982 to begin implementing their findings, what about future years?

e. Suburban jurisdictions pay for the actual costs for their share of services provided. Do they also contribute to the maintenance and capital replacement?

ANSWER:

12. a. Project 32-505 - $ 500,000 Replace 5,000 ft. of sewer lines

Project 32-803 - 515,000 Replace 5,000 ft. of watermain

Project 32-850 - 350,000 Replace 3,500 ft. of watermain

Project LA-864 - 3,016,000 Replace 6,000 ft. of leaking watermain

b. Backlog will not be known until the inventory funds requested in the 1982 budget are approved, contracts are let and results received. Replacement schedules will be developed from the information derived from this inventory.

c. We have an infiltration/inflow study being made, however, the results are not yet available.

d. No. The findings are not yet available.

e. Yes. They pay for their share of capital construction and operation and maintenance of the facilities they use.

QUESTION:

13. The City has in recent years undertaken a program to reform the water and sewer bill collection system. Part of that effort is a program to replace the water meters at some of the heaviest users. What is the status of that program?

a. How much additional revenue do you expect to receive as a result?

b. What about the meters in residential areas - are there plans to replace the oldest of those as well?

c. How much revenue do you think can be realized from that source?

ANSWER:

13. a. Eleven positions and $1,146,300 were budgeted in F.Y. 1981 to repair and replace 2590 defective or inoperative commercial water meters. Between October 1, 1980 and April 30, 1981, 1088 commercial water meters were repaired and replaced and 2175 have been purchased. The maximum amount of additional revenues expected to be received upon completion of the meter rotation program is $8,300,000 annually.

b. All meters will eventually be replaced. The objective is to meet the American Water Works Association Standards which require testing on a scale of from each year to once every fifteen years depending on size and types.

c. It is estimated that an additional $2,000,000 can be realized from the residential source.

QUESTION:
14. You have hired a contractor to run the billing system. What effect have they had on collections? Ho do they operate the system?

a. Have they collected a greater percentage of delinquent charges since they took over? If so, how much?

b. Will the District ever take back control over the billing?

ANSWER:
14. The District is contracting out the Data Processing activities formerly performed by the District's SHARE Computer Center. These services include all keypunching, all data processing equipment, and the services of a senior analyst/programmer.

a. $3,000,000 in delinquent charges has been collected since the contract went into effect. However, the contractor only does the billing not the collection work.

b. Senator D'Amato, in his letter approving the reprogramming to implement this contract stated "The Committee would expect, however, that once the FMS is capable of handling the additional workload, that this function would be transferred back to the city." This is the guideline the city will follow to determine if and when we will again take over the system.

QUESTION:
15. What effect do you expect on your programs as a result of reductions in Federal grant-in-aid programs?

ANSWER:
15. In 1982 there will be no effect on our programs as a result of reductions in Federal grant-in-aid programs.

SUBCOMMITTEE RECESS

Senator D'AMATO. This hearing stands adjourned, and we thank you for coming in.

[Whereupon, at 10:55 a.m., Tuesday, May 12, the subcommittee was recessed, to reconvene Wednesday, May 13.]

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1982

WEDNESDAY, MAY 13, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 3:35 p.m., in room 1223, Everett McKinley Dirksen Senate Office Building, Hon. Alfonse M. D'Amato (chairman) presiding.

Present: Senator D'Amato.

DISTRICT OF COLUMBIA

STATEMENTS OF:

- **JAMES O. GIBSON, ASSISTANT CITY ADMINISTRATOR**
- **JULIAN NICHOLAS, DEPUTY DIRECTOR, OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT**

ACCOMPANIED BY:

- **JOHN McKOY, EXECUTIVE DIRECTOR**
- **ALVIN McNEAL, CHIEF, LONG-RANGE PLANNING UNIT**
- **ALBERT MINDLIN, CHIEF, DATA MANAGEMENT AND STATISTICS UNIT**

SHOOTING OF POPE JOHN

Senator D'AMATO. The subcommittee will come to order.

Let me first indicate my deep concern for the tragic events which unfolded today and the reason for my being here late. The Senate just passed a resolution expressing our deep concern with respect to the events that unfolded at approximately 11:30 this morning when there was an attempt on the life of His Holiness the Pope. It appears that the Pope will recover. This action demonstrates the madness in our society today when a tragic event such as this takes place. A woman from my own home State of New York from the area of Buffalo was one of the victims. We don't have a report as of yet as to her condition. We are led to believe it is rather serious.

Needless to say, we share in her concern and the concern of her family. She was a pilgrim over there on a tour in the Vatican courtyard when the attempted assassination took place, and there were several others wounded.

We just passed a resolution in the Senate expressing concern for the Pope's speedy recovery. And that is why I was delayed.

SUBCOMMITTEE PROCEDURE

The subcommittee will come to order. This afternoon we have as the first witnesses, representatives of the Office of Planning and Development, Mr. James O. Gibson, of the Office of Business and Econonic Development, Mr. Julian Nicholas.

Gentlemen, it is a pleasure to have you here with us today. I believe that each of you have opening remarks. If you would care to summarize any of those remarks, that would be fine. If you care to go through the remarks in total, that is fine too.

Mr. Gibson, I will ask you to begin and possibly you would like to introduce your colleagues for the record, and then we can proceed with your statement.

INTRODUCTION OF STAFF MEMBERS

Mr. GIBSON. Thank you, Mr. Chairman. I have with me John McKoy, Executive Director of the Office of Planning and Development, Alvin McNeal, Chief, Long-Range Planning Unit, and I also brought the Chief of our Data Management and Statistics Unit, Mr. Albert Mindlin.

STATEMENT OF PLANNING DIRECTOR JAMES GIBSON

We have provided a statement for you and I will not go through that full statement. We are the central planning office for the Mayor and we have responsibility for producing, monitoring, and updating the District elements of the comprehensive plan, coordinating plan activities districtwide and providing data analysis, policy recommendations, and data economics on fiscal issues relating to planning projects.

We have primary staff responsibilities for the zoning process and we represent the Mayor on intergovernmental bodies such as the National Capital Planning Commission and the Pennsylvania Avenue Development Corporation.

Primary concern that we have focused on is the comprehensive plan. Under the home rule charter we're charged with the responsibility to produce local elements of the comprehensive plan. That plan is still pending. It has not been formally completed. We have in the last 2½ years since I have been in the office, been able to get an adequate budget and build a professional staff capability. We will, as a matter of fact, this Friday, kick off the formal aspects of the comprehensive plan with our downtown plan process, which charges my office and the committee to bring back the basic policy and plan recommendations for downtown development.

We will later this year, during the summer, be launching the ward and neighborhood dimensions of the comprehensive planning process.

We have a considerable, I think, amount at stake in the District of Columbia in accomplishing the comprehensive plan. As you know, we got considerable momentum underneath the development within the District at this time, and I think that the stability of certain areas as well as taking advantage of the opportunities of focusing private investment are at stake for us. The opportunity for the District to get to the private bond market rests upon having the kind of overview and long-range perspective which results from the comprehensive plan and will give us a far better capital improvements program framework. And, in general, I think you would agree that this is the priority of our office, while at the same time the vital day-to-day work from zoning.

Senator D'AMATO. In terms of your zoning, let me ask you, was there a zone report?

ZONING REGULATORY FUNCTION

Mr. GIBSON. We have a zoning commission which is composed of Federal-local composition. The Secretary of the Capitol statutorily sits on that Zoning Commission and the representative of the Secretary of the Interior. Normally the chief planner for the Park Service sits on the Zoning Commission and three members appointed by the Mayor confirmed by the District Council. In addition, there is a board of zoning adjustment which is composed of five members, one of whom by statute is a member or staff representative from the National Capital Planning Commission, one of whom is a rotating member from the Zoning Commission and three of whom are appointed by the Mayor.

Those two bodies perform the basic zoning regulatory functions of the District. As you know, it is the independent function provided for by charter.

Senator D'AMATO. We will now hear from Mr. Nicholas and then if I could put those questions to both of you and one or the other might be the appropriate one to answer.

STATEMENT OF JULIAN NICHOLAS, DEPUTY DIRECTOR

Mr. NICHOLAS. Mr. Chairman, I am the representative of Lawrence P. Schumake, our executive director, who is on the west coast and begs his excuses. He did present a statement and I won't go into it in detail, but with your permission I would like to read the opening.

Mr. Chairman and members of the committee, I welcome this opportunity to testify on the 1982 budget request submitted by the District of Columbia, Office of Business and Economic Development.

The Office of Business and Economic Development is charged with the responsibility of managing the econonic development process in the District of Columbia——

Let me digress there, sir. In 1977 the District Council passed legislation, District of Columbia Law 1–97, activating an Office of Business and Economic Development. The basic mission of that Office was to function as the District government's official liaison to the entire business community of the District, some 20,000 businesses, the official liaison between the District affairs and the business community.

In order to maximize the economic benefits of development by expanding our tax base and increasing employment opportunities for city residences, expanded economic activity will result largely from private sector investment. Therefore, we must strive to encourage the kind of private development that will bring the greatest economic benefit to the District and improve the quality of life of its residents.

As an example, aggressive steps must be taken to encourage hotel and retail development. We know that the District of Columbia revenues per square foot generated by a hotel investment are 2½ times those generated by an office building of comparable size. This differential is due to sales, payroll taxes and the multiplier effect of the expenditures of hotel guests. Close to 30 percent of hotel employees are District residents whereas, more than half of those employed in office buildings tend to be commuters. A cost-benefit analysis of the retail industry will produce similar results. Yet, it is quite obvious that most of the new structures under construction within the District are office buildings.

We are working hard to develop the incentives necessary to realize the kind of development that will produce the greatest benefit. Through the imaginative packaging of Federal financial programs, creative use of tax incentives, effective leveraging of city surplus property, and the careful coordination of available city resources, we can actively encourage the types of investment that will bring the highest return to the District.

We are facing a gradual out-migration of the light industrial and service businesses that are not only important to our tax base, but also provide the blue-collar job opportunities so critically needed by a large number of the District of Columbia residents. Therefore, we are targeting such industries as the printing and publication industry, the food wholesaling industry, communications and film production, and many others.

GRADUAL OUT-MIGRATION OF LIGHT INDUSTRY

Senator D'AMATO. Why do you say that you are facing a gradual out-migration of the light industrial area?

Mr. NICHOLAS. It has to do with the change in the business climate of the District itself, the cost of operation, the cost of square footage. The light industrials such as the food suppliers, the auto-truck repair, the basic industries peculiar to any municipality, the laundries, et cetera, are finding it cheaper to move into the nearby suburbs.

BUSINESS DEVELOPMENT

Senator D'AMATO. And yet, in terms of the business development, how many new businesses or new offices or new hotels have you seen come in in the past year?

Mr. NICHOLAS. New offices? Yes.

Senator D'AMATO. New construction starts.

In other words, your point is new office buildings, yes, but the industrial base——

Mr. NICHOLAS. The light industrial construction starts. No.

Senator D'AMATO [continuing]. Continues to shrink.

Mr. NICHOLAS. And that is why our efforts are pointed in that direction.

HOTEL DEVELOPMENT

Senator D'AMATO. What about the hotel development?

Mr. NICHOLAS. The hotel development, yes.

Senator D'AMATO. There is some?

Mr. NICHOLAS. Yes.

Senator D'AMATO. Are there some under construction right now within the District of Columbia?

Mr. NICHOLAS. We expect 4,000 additional rooms in the downtown central area just as a result of the construction of the Convention Center.

Senator D'AMATO. Are there specific hotels that are under contract or under construction at the present time?

Mr. NICHOLAS. Expansions and/or commitments of intent to build we already have, sir.

Senator D'AMATO. So then let me suggest to you that some of our urban centers may no longer be relevant in terms of some of the things in the commercial area that they used to do. When I say relevant, that is always a matter of degree. In terms of being, for example, the center for retail activity, in terms of being the center of the kind of activity the light industrial use, has that entered into your thought?

Mr. NICHOLAS. Yes. We don't want to become a smokestacked industry area. We only want to retain and increase the service industries, again that are relevant. Food wholesalers, printing, et cetera, are major industries in Washington.

Senator D'AMATO. How is that?

Mr. NICHOLAS. Printers and others should be retained.

INCREASE PER SQUARE FOOT OF PROPERTY

Senator D'AMATO. Don't you have a problem in terms of the value per square foot within the District of Columbia? It has increased substantially, has it not?

Mr. NICHOLAS. Yes, sir.

Senator D'AMATO. It has increased far beyond that in terms of the value of square feet of the areas in the outskirts and suburban communities. Consequently, if you were going to go for major plant expansions where you need, let's say, a huge area, warehousing, printing storage, et cetera, doesn't the economics vis-a-vis the land cost dictate and mitigate the removing of that type of activity in an area where plant expansion would be much deeper?

Mr. NICHOLAS. Businesses that need large areas that are not labor intensive, are not the type of businesses we encourage. We want those that are labor intensive. That is why we harp on the hotel and retail industries, industries that are labor intensive and use less skilled labor.

Senator D'AMATO. I notice your IDA and bonds, you use that?

INDUSTRIAL REVENUE BONDS

Mr. NICHOLAS. We have addressed that issue, industrial revenue bonds.

Senator D'AMATO. Do you use them?

Mr. NICHOLAS. The District Council has addressed that issue and we intend to make applications.

Senator D'AMATO. Where have you made application?

Mr. GIBSON. There is some legislation needed to give us full authority to do that.

Senator D'AMATO. Is that congressional legislation or City Council?

Mr. GIBSON. City Council and congressional approval.

Senator D'AMATO. It has been a rather effective tool in terms of reducing the cost of borrowing and made many projects which otherwise might be unavailable.

Mr. GIBSON. We desperately do because you do have a disparity in land cost and several other gaps.

Senator D'AMATO. Is that a priority item for your business redevelopment or an item that you do intend to pursue?

Mr. NICHOLAS. Yes.

DEMAND FOR NEW OFFICE CONSTRUCTION

Senator D'AMATO. Let me ask you something about relocating offices. Is there a great demand for new office construction within the District of Columbia?

Mr. GIBSON. We have probably the hottest office market in the country at this point. We have about a one-tenth of 1 percent vacancy rate currently. We have been in a situation in which the land costs are primarily driven by the price and the demand for office space. That is going on even while expansion in the suburbs and the competitive edge in the District of Columbia is sheer square footage and investment is not being lost. What is being affected is the profile of the user due to land costs.

ZONING HEIGHT FOR BUILDINGS

Senator D'AMATO. Are you going up? What is your zoning in terms of office buildings? How high?

Mr. GIBSON. The greatest height is now permitted in one stretch of Pennsylvania Avenue, where one can build up to 160 feet.

Senator D'AMATO. Sixteen stories?

Mr. GIBSON. Basically 16 stories. Aside from that, the 1910 Height Act essentially limits us to 13 stories within the downtown density, 130 feet on the broadest streets in the C–4 zoning.

OFFICE CONSTRUCTION IN FISCAL YEAR 1982

Senator D'AMATO. What do you contemplate in terms of office building construction for fiscal 1982? Is there anything your office has done in terms of how many square feet will be constructed and what will be the tax yield as a result of that construction?

Mr. GIBSON. We have committed for 1982 approximately, that is coming on line already, 4½ million square feet of office space. And an additional 1½ to 2 million by the end of 1983. We have an enormous amount of office construction currently on the way.

Senator D'AMATO. Mr. Nicholas, you ought to feel good about that. There are so many communities that would just be delirious to have that because they are experiencing the outflow of that industrial base. One of the building commissioners from one of the adjoining towns in my hometown in New York could attest to that. If that town, Oyster Bay, had just a small fraction of that office building construction to help stabilize that tax base, they would be so delighted. They have an eroding tax base. The light industrial is moving out, labor-intensive kind of things are moving out. Fortunately for the District of Columbia, you have got that moving in.

It seems to me we have got to begin to think about new alternatives and take advantage of that office situation and then with the tens of thousands of additional people that will be working in the District, the services they will need, restaurants and all the other service industries that are called upon to continue to develop the base, it is so important.

INCREASE IN HOTEL ROOMS

Mr. GIBSON. We also have approximately 5,000 hotel units that will be on line by 1985 and we are seeking an additional several thousand.

Senator D'AMATO. When you say you are seeking that, Mr. Gibson, is this by virtue that there will be applications for land use that will permit motel and hotel use? Is that what you are saying?

Mr. GIBSON. Based on a couple of things. Primarily the Convention Center, we are estimating 230,000 conventioneers.

COMPETITION OF CONVENTION CENTER AND NEIGHBORING CENTERS

Senator D'AMATO. What about the Convention Center? You know there is an underlying problem vis-a-vis the initial purpose as stated by the Convention Center. Will the Convention Center begin to host those kinds of events that will put it in competition with the more complex ones that are out in the suburban communities? Are they going to be competing? And there is a smile.

Mr. GIBSON. I have to smile at that. There have been some concerns expressed consistently about that, obviously. Several years ago we altered the original proposal that called for an arena and a convention center and we went to a convention center. The operation of the Convention Center does not permit us to encumber with some entertainment, rock.

Senator D'AMATO. Rock concerts?

Mr. GIBSON. We cannot defer the bookings of the Convention Center by prebooking such. Where I think the concern obviously exists because the choice location which our Convention Center occupies and because in sheer square footage it has certain potential, I do believe there will be events and affairs that will be a one-shot affair that go with the 15,000 and 20,000 conventions and the entertainment pieces that I think will occur. I think there will be stretches of activities booked at the last minute that can be put in and there is obviously no competition.

Senator D'AMATO. The basic premise in which the Senate was given impetus to move forward, that there would be no real competition with the private arenas which are in the habit of having athletic events and rock concerts. It is still essentially, as you understand, alive and well?

Mr. GIBSON. It is very much alive and it is explicit. The managing approaches and the schedule approaches conflict with each other and essentially it is an oil and water situation.

Mr. NICHOLAS. I might mention that Wall Street is the home of brokers, Hollywood is the home of the entertainers and Washington is getting to be the home of the national associations.

Senator D'AMATO. I hope, Mr. Nicholas, that we can keep that Convention Center booked and bringing in the trade and conventions thus, consequently, the need for more hotel and more motel space will dovetail with that because certainly an increase in the economic base in the District is something that all people want and certainly we would like to encourage to take place.

Mr. NICHOLAS. The signs are encouraging since groundbreaking has occurred. We have been able to maintain the Convention Center construction on schedule and within budget.

SCHEDULED OPENING OF CONVENTION CENTER

Senator D'AMATO. What is the prognostication of the completion of the center?

Mr. GIBSON. Construction should be finished by fall of 1982. It is not scheduled to open until 1983. I would like to be held to that 1983 opening.

TOTAL COST OF CONVENTION CENTER

Senator D'AMATO. What about the budget? What is the construction, what does it call for?

Mr. GIBSON. I have some figures on that.

Senator D'AMATO. Who told you I was going to ask you about that?

Mr. GIBSON. The Convention Center, until this fiscal year, was the responsibility of my office.

The overall cost of the Convention Center is approximately $97 million. Of that amount approximately $21 million was earmarked for acquisition, relocation, and preparation of the site. That is funded on the basis of special taxes that were levied on the hotel industry and the business community. They are earmarked for that purpose.

The capital allocation made the differences of that amount, approximately $50 million in construction contracts have been awarded already—approximately $10 to $12 million in payments. That payment schedule will be stepping up during the course of the summer because they are at the point where the small contracts can proliferate so the payments will be stepped up. That means we have approximately another $17 million to award in contracts for the subsequent stages. That probably will be done virtually with few small contracts remaining by the end of this year.

Senator D'AMATO. You see the project coming basically within budget?

Mr. GIBSON. We have monitored that very closely. There was an inflationary contingency prepared at the time of the appropriations planning. With very tight management it has been adequate and appears at this stage as though it will remain adequate.

MARKET VALUE OF SURPLUS LAND

Senator D'AMATO. Let me ask you, gentlemen, do you have any idea what is the total market value of excess land, that is, land which is not presently being utilized by the District, No. 1; and what is the market value, how many acres are we talking about?

Mr. GIBSON. You mean of what would be considered surplus?

Senator D'AMATO. Yes. Land that could be developed, used that the city might have—I am not talking about municipal land for parks and recreation—land that could reasonably be put into some type of commercial development.

Mr. GIBSON. We have been monitoring that and taking a look at that. Not having those figures before me, I would not like to give you that informally. We can provide you those estimates for the record. As you would imagine, we have been looking at that and, indeed this fiscal year, an increment of surplus properties is being made available for sale both in order to encourage the uses that can be generated around some of them as well as generate income for the District. We will give a sense of the envelope that we see.

[The information follows:]

EXCESS PROPERTY

At the present time the executive branch of the District government has declared 27 District of Columbia-owned properties excess. Attached are two documents which describe each of these properties, giving location, square footage, zoning, and assessed value. (With respect to assessed value, this may or may not equal the market value. The present policy of the District of Columbia Department of Finance and Revenue is to place an assessed value on a property equal to 100 percent of its market value. The assessments of the 27 excess properties are recent. But as we all know, the real estate market in the District of Columbia is currently so volatile, that it is by no means certain the assessed values would equal the market values if the properties were up for sale this very day. The District of Columbia Department of General Services, which has administrative jurisdiction of these properties, estimates that the actual sales prices could be between 15 and 20 percent higher than the assessments.)

EXCESS PROPERTY

	Property	Square/Lot(s)	Assessed Value
1.	Old Engine Company #5 3212 M Street, N.W.	1200/840	$ 342,000
2.	Corcoran School 2715 M Street, N.W.	1214/816	1,944,000
3.	Vacant Lot 1529 Church Street, N.W.	194/56	84,000
4.	Old Firehouse #9 1624 U Street, N.W.	176/804	162,000
5.	Morgan Annex 2428 17th Street, N.W.	2566/834	288,000
6.	Engine Company #4 (Excess Lot) 928 Euclid Street, N.W.	2882/727	15,000
7.	Engine Company #4 (Excess Lot) 910 Euclid Street, N.W.	2882/1035	67,000
8.	Mott School 4th and W and Bryant Street, N.W.	3069/859	3,000,000
9.	Old Firehouse #9 931 R Street, N.W.	363/800	74,000
10.	Morse Elementary School 440 R Street, N.W.	509/805	168,000
11.	Northwest Garage 1323 Naylor Court, N.W.	367/821	276,000
12.	Parking Lot 13th and N Streets, N.W.	243/822-826	702,000
13.	Old Fire Truck Company #4 219 M Street, N.W.	555/805	53,000
14.	Old Eckington Elementary School 1615 First Street, N.E.	3519/801-802	218,000
15.	Crummel Elementary School 1900 Gallaudet Street, N.E.	PAR 142/22	690,000
16.	Old Police Precinct #9 525 9th Street, N.E.	936/808	168,000
17.	Lovejoy-Edmonds House 403 11th Street, N.E.	935/61	54,000
18.	Vacant lot adjacent to the right of way South Capitol Street and M Street, S.W.	651/801	90,000
19.	Parking Lot 3rd and E Streets, N.W.	568/851-853-854	1,380,000
20.	H Street Overpass Between 2nd and 3rd Streets, N.E.	752/823, 825-827, 829-831, 849, 852-854, 858, 19	$240,000
21.	Old Police Precinct #11 2301 Martin Luther King Avenue, S.E.	5790/818	49,000
22.	Vacant Lot (Addison School) P and 33rd Streets, N.W.	1244/854	129,000

23.	Georgetown Incinerator 31st and Water Streets, N.W.	1189/824	3,900,000
24.	Vacant Lot 1251 Bladensburg Road, N.E.	PAR 152/49	72,000
25.	Vacant Lot 304 M Street, N.W.	524/19	19,000
26.	Vacant Lot 2nd and E Streets, S.W.	538/48	64,000
27.	Lenox Annex 4th and M Streets, S.E.	800/822	645,000
		TOTAL	14,893,000

YOU CAN BUY ANY OF THESE PROPERTIES FROM THE DISTRICT OF COLUMBIA GOVERNMENT

PURSUANT TO D.C. CODE, SEC. 9-301, THE MAYOR HAS RECOMMENDED TO THE COUNCIL OF THE DISTRICT OF COLUMBIA THAT IT FIND AND DECLARE THAT THE TWENTY-SEVEN PROPERTIES LISTED BELOW ARE NO LONGER REQUIRED FOR PUBLIC PURPOSES.

IT IS EXPECTED THAT THE PROPERTIES WILL BE AVAILABLE FOR SALE IN EARLY SUMMER, 1981.

NAME AND ADDRESS	SQUARE FOOTAGE	ZONING
OLD ENGINE COMPANY #5 3212 M Street, N.W. Sq: 1200, Lot: 840	Land: 3,300 sq.ft. Bldg: 7,000 sq.ft.	D/C-2-A
CORCORAN SCHOOL 2715 M Street, N.W. Sq: 1214, Lot: 816	Land: 33,066 sq.ft. Bldg: 12,602 sq.ft.	D/C-2-A R-3
VACANT LOT 1529 Church Street, N.W. Sq: 194, Lot: 56	Land: 2,090 sq.ft.	P-5-B
OLD FIREHOUSE #9 1624 U Street, N.W. Sq: 176, Lot: 804	Land: 4,850 sq.ft. Bldg: 8,901 sq.ft.	D-C-2-A
MORGAN ANNEX 2428 17th Street, N.W. Sq: 2566, Lot: 834	Land: 13,525 sq.ft. Bldg: 17,800 sq.ft.	R-5-B
ENGINE COMPANY #4 LOT 910 Euclid Street, N.W. Sq: 2882, Lot: 1036	Land: 4,000 sq.ft.	C-M-1
ENGINE COMPANY #4 LOT 928 Euclid Street, N.W. Sq: 2882, Lot: 727	Land: 1,282 sq.ft.	C-M-1
MOTT ELEMENTARY SCHOOL 4th & W & Bryant Sts., N.W. Sq: 3069, Lot: 859	Land: 75,958 sq.ft. Bldg: 116,367 sq.ft.	R-5-B
OLD FIREHOUSE #9 931 R Street, N.W. Sq: 363, Lot: 800	Land: 3,800 sq.ft. Bldg: 3,316 sq.ft.	R-4
MORSE ELEMENTARY SCHOOL 440 R Street, N.W. Sq: 509, Lot: 805	Land: 18,318 sq.ft. Bldg: 17,346 sq.ft.	R-4
NORTHWEST GARAGE 1323 Naylor Court, N.W. Sq: 367, Lot: 821	Land: 12,350 sq.ft. Bldg: 27,121 sq.ft.	R-4
PARKING LOT 13th & N Street, N.W. Sq: 243, Lots: 822-826	Land: 16,633 sq.ft.	SP-2
OLD FIRE TRUCK COMPANY #4 219 M Street, N.W. Sq: 555, Lot: 805	Land: 4,430 sq.ft. Bldg: 6,000 sq.ft.	R-4
OLD ECKINGTON ELEMENTARY SCHOOL 1615 First Street, N.E. Sq: 3519, Lots: 801, 802	Land: 22,500 sq.ft. Bldg: 19,686 sq.ft.	R-4
CRUMMEL ELEMENTARY SCHOOL 1900 Gallaudet Street, N.E. PAR 142, Lot:22	Land:108,138sq.ft. Bldg: 20,022 sq.ft.	C-M-1
OLD POLICE PRECINCT #9 529 9th Street, N.E. Sq: 936, Lot: 808	Land: 3,800 sq.ft. Bldg: 3,316 sq.ft.	R-4
LOVEJOY-EDMONDS HOUSE 403 11th Street, N.E. Sq: 985, Lot: 61	Land: 1,053 sq.ft. Bldg: 2,118 sq.ft.	R-4
VACANT LOT Adjacent to Right-of-Way South Capitol and M Sts., S.W. Sq: 651, Lot: 801	Land: 21,460 sq.ft.	C-M-1
PARKING LOT 3rd & E Streets, N.W. Sq: 568, Lots: 851,853,854	Land: 13,337 sq.ft.	C-3-C
H STREET OVERPASS Between 2nd & 3rd Streets, N.E. Sq: 752, Lots: 823, 825-827, 829-831, 849, 852-854, 858, 19	Land: 28,396 sq.ft.	C-2-A
OLD POLICE PRECINCT #11 2301 Martin Luther King, Jr. Avenue, S.E. Sq: 5790, Lot: 818	Land: 7,451 sq.ft. Bldg: 8,200 sq.ft.	C-2-A
VACANT LOT P & 33rd Streets, N.W. Sq: 1244, Lot: 854 (part)	Land: 2,160 sq.ft.	R-3
GEORGETOWN INCINERATOR 31st & Water Streets, N.W. Sq: 1189, Lot:824	Land: 53,376 sq.ft. Bldg: 14,376 sq.ft.	W-1
VACANT LOT 1251 Bladensburg Rd., N.E. PAR 152, Lot: 49	Land: 2,100 sq.ft.	C-2-A
VACANT LOT 304 M Street, N.W. Sq: 524, Lot: 19	Land: 703 sq.ft.	R-4
VACANT LOT 2nd & E Streets, S.W. Sq: 538, Lot: 48	Land: 5,265 sq.ft.	UR
LENOX ANNEX 4th and M Streets, S.E. Sq: 800, Lot: 822	Land: 44,445 sq.ft. Bldg: 17,000 sq.ft.	R-5-B

ON-GOING PROGRAM

Senator D'AMATO. So that is a very real on-going program?

Mr. GIBSON. Yes.

Senator D'AMATO. In order to encourage tax expansion, job development, and those moneys that are——

Mr. GIBSON. We have created $15 million in income this year from surplus property and we hope we are being conservative. We will see what the market will be.

Mr. NICHOLAS. We earmarked certain surplus areas. It is the prototype of labor industry development, the kind we want to obtain. We can do that best in property and we have identified certain properties in certain areas for that type of zoning, that type development.

INFORMATION ON EXCESS LAND

Senator D'AMATO. I have a number of questions that really go into some specific details and I am going to ask my staff to get these questions to you, along with that other information that you have indicated in terms of excess land, I am wondering if you wouldn't make that available to us today?

Mr. GIBSON. I am sure, as you would imagine, we will do that with certain qualifications. What we are doing has not necessarily passed some of the problems we would identify as excess. We will obviously be giving the contingencies on that.

Senator D'AMATO. Let me suggest for the record very strongly, I would like to have all of the excess land owned by the District, that land which is not specifically designated by way of law, land use. I would like to have a survey of those lands, identification in terms of how many acres is contained, some reasonable description.

Mr. GIBSON. We have that on a computer.

Senator D'AMATO. Second, then, I would like to have a further markup of those lands, those excess properties that you have indicated a specific use or development purpose for other than municipal. Then therein also, and I am talking about specifically that has a possibility for private utilization and development.

And, third, in that area, land use map. That is what I am indicating to you a need, indications as to those where there are municipal or agency concerns or bids to retain, develop, and/or utilize.

Let me also make a suggestion. That suggestion is, that it is my belief that whenever possible we should opt for private development. So with all of the attendant things that come with that private development in the long run will be beneficial to the District and for purposes of the Government should not be their own aggrandizement. It is far better to have people in a less adequate facility that can bring in the kind of economic stimulation that can make it possible for government to carry out its purposes than government being in their wonderful facilities.

That information I believe will be very helpful to the committee. We might even be of some help to you as a result of looking at this.

Mr. GIBSON. Very good. We will pull that information.

PREPARED STATEMENTS AND QUESTIONS FOR THE RECORD

Senator D'AMATO. Thank you very much for your time and again I am sorry that we were delayed. We will insert both of your statements in the record at this point. Also, I have some questions to be answered for the record.

Mr. GIBSON. Thank you, Mr. Chairman.

[The statements and questions and answers follow:]

[CLERK'S NOTE.—A land use map was provided and is retained in committee files.]

Statement of James O. Gibson

GOOD AFTERNOON MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE MY NAME IS JAMES O. GIBSON. I AM THE ASSISTANT CITY ADMINISTRATOR FOR PLANNING AND DEVELOPMENT. I AM ACCOMPANIED BY JOHN H. MCKOY, EXECUTIVE DIRECTOR OF THE OFFICE OF PLANNING AND DEVELOPMENT, ALVIN MCNEAL, CHIEF FOR THE COMPREHENSIVE PLAN SECTION AND CHARLES HOWARD, ACTING FINANCIAL MANAGER FOR THE OFFICE OF THE CITY ADMINISTRATOR. IT IS A PLEASURE TO HAVE THIS OPPORTUNITY TO APPEAR BEFORE YOU TO PRESENT OUR AGENCY'S FISCAL YEAR 1982 BUDGET REQUEST.

AS YOU KNOW, THE OFFICE OF PLANNING AND DEVELOPMENT (OPD) IS THE MAYOR'S CENTRAL PLANNING OFFICE. IT HAS THE RESPONSIBILITY FOR PRODUCING, MONITORING AND UPDATING THE DISTRICT ELEMENTS OF THE COMPREHENSIVE PLAN; COORDINATING PLANNING ACTIVITIES IN ALL DISTRICT AGENCIES; PROVIDING DATA ANALYSIS AND POLICY RECOMMENDATIONS ON MAJOR ECONOMIC AND PHYSICAL ISSUES AND PROJECTS; EXPEDITING COMPLETION OF MAJOR PUBLIC AND PRIVATE DEVELOPMENT; STAFFING THE ZONING PROCESS; AND, REPRESENTING THE MAYOR ON INTERGOVERNMENTAL BODIES SUCH AS THE NATIONAL CAPITAL PLANNING COMMISSION AND THE PENNSYLVANIA AVE. DEVELOPMENT CORPORATION.

WHEN WE WERE HERE LAST YEAR, WE EMPHASIZED THE NEED TO SECURE ADEQUATE FUNDING TO STRENGTHEN CERTAIN CRITICAL COMPONENTS OF THE OFFICE OF PLANNING AND DEVELOPMENT. IN PARTICULAR, WE WERE REQUESTING FUNDS AND ADDITIONAL STAFFING IN ORDER THAT WE MIGHT FULFILL OUR LEGAL MANDATE TO PREPARE A COMPREHENSIVE PLAN FOR THE DISTRICT OF COLUMBIA. I AM HAPPY TO SAY THAT OUR REQUESTS OF LAST YEAR WERE FAVORABLY ACTED UPON. AS YOU KNOW, THE DISTRICT'S OVERALL FISCAL HEALTH HAS NOT BEEN GOOD AND SO LIKE OTHER AGENCIES, WE HAVE HAD TO TIGHTEN OUR BELTS, ABSORB INFLATIONARY INCREASES AND GENERALLY DO MORE WITH FEWER RESOURCES.

WITHIN THIS CONTEXT WE HAVE ATTEMPTED TO PULL TOGETHER A BUDGET REQUEST THAT REPRESENTS OUR CONTINUED ATTEMPTS TO DO BOTH A FIRST CLASS JOB OF PLANNING, DEVELOPMENT COORDINATION AND ZONING, YET BE RESPONSIVE TO THE NEED TO TRIM BACK OUR SPENDING LEVELS TO THE LEANEST POSSIBLE POINT. I BELIEVE THAT

THE BUDGET REQUEST THAT YOU HAVE BEFORE YOU FULFILLS THESE OBJECTIVES.

DESCRIPTION OF THE FY '82 BUDGET

- o THE TOTAL BUDGET REQUEST IS $2,842,900 AND 75 FULL TIME POSITIONS
  - THIS REPRESENTS AN OVERALL REDUCTION OF $413,200.
  - IT REFLECTS A $56,400 REDUCTION IN "PERSONAL SERVICES" AND $356,800 OR 50% REDUCTION IN "OTHER THAN PERSONAL SERVICES"
- o FOLLOWING IS A LIST OF CHANGES AND SHIFTS THAT ARE BEING PROPOSED WITHIN THIS BUDGET SUBMISSION:
  - WE WOULD REDUCE TEMPORARY POSITIONS FROM 13 TO 10.
  - WE PROPOSE TO ERADICATE OUT-OF-TOWN TRAVEL, CONFERENCE FEES, MEMBERSHIPS IN PROFESSIONAL ORGANIZATIONS, AND REDUCE PRINTING, SUPPLIES AND EQUIPMENT.
  - INTERNALLY WE WOULD ADD TWO (2) PERMANENT POSITIONS TO OUR URBAN DESIGN SECTION.
  - WE WOULD INTERNALLY SHIFT ONE POSITION FROM MY OFFICE TO THE OFFICE OF THE EXECUTIVE DIRECTOR TO AID IN THE COORDINATION OF THE CITIZENS PARTICIPATION COMPONENT OF THE COMPREHENSIVE PLANNING PROCESS.
  - THE CONVENTION CENTER HAS BEEN REMOVED FROM MY AGENCY'S BUDGET AND TRANSFERRED TO AN ENTERPRISE FUND.
  - THE ENERGY OFFICE HAS BEEN TRANSFERRED TO THE OFFICE OF THE CITY ADMINISTRATOR.
- o IMPACT OF THE FY 82 BUDGET LEVEL.
  - THE REDUCTION WILL CURTAIL OUR ABILITY TO RESPOND TO DATA REQUESTS WHICH ARE UNRELATED TO THE COMP PLAN
  - OUR PRINTING AND DISTRIBUTION OF PUBLICATIONS WILL BE LIMITED INCLUDING PRINTING OF THE FINAL COMP PLAN.
  - MONEY FOR CONSULTANT SERVICES WILL BE UNAVAILABLE AND ELIMINATE OUR ABILITY TO CONDUCT SPECIAL STUDIES ON UNFORESEEN ISSUES THAT MAY COME UP DURING THE COMP PLAN PROCESS.

PROGRAM ACCOMPLISHMENTS DURING FY 81

- WE ARE WELL ALONG WITH THE INSTALLATION OF A NEW INTERNAL MANAGEMENT SYSTEM TO BETTER PLAN AND MONITOR THE WORK OF THE AGENCY.
- WE HAVE RECRUITED HIGHLY QUALIFIED PROFESSIONALS TO FILL OUR VACANT POSITIONS.
- WE ARE ALSO WELL ALONG WITH THE COMPREHENSIVE PLANNING PROCESS:
  - SEVERAL SPECIAL BACKGROUND STUDIES HAVE BEEN COMPLETED; INITIAL ANALYSIS OF THE IMPACTS OF ALL 40 SUBWAY STATIONS TO BE LOCATED IN THE DISTRICT HAVE BEEN COMPLETED AND SPECIAL STUDIES ON HIGH IMPACT METRO AREAS SUCH AS U STREET STATION HAVE BEEN COMPLETED.
  - WE HAVE PULLED TOGETHER A COMMON DATA BASE ON WHICH TO MAKE DEMOGRAPHIC PROJECTIONS AND FORECASTS AND POLICY RECOMMENDATIONS EFFECTING OUR 20 YEAR TIME-FRAME FOR THE COMPREHENSIVE PLAN.
  - WE HAVE MADE MANY FRUITFUL COMMUNITY CONTACTS TO BROADEN OUR BASE OF INPUT AND SUPPORT; THESE CONTACTS INCLUDE: AMERICAN PLANNING ASSOCIATION, THE FEDERAL CITY COUNCIL, THE CITIZENS PLANNING COALITION, THE FEDERATION OF CIVIC ASSOCIATIONS, THE BOARD OF TRADE AND OTHERS.
  - MAJOR PLANNING CONSULTANTS HAVE BEEN ENGAGED; THESE CONSULTANTS WILL CONDUCT A FISCAL IMPACT ANALYSIS, A MOVER SURVEY AND ASSEMBLE A PANEL OF NATIONAL EXPERTS TO ASSIST WITH OUR DEMOGRAPHIC FORECASTING.
  - WE HAVE NOW COMPLETED AN EXISTING LAND USE INVENTORY AND COLOR MAPS FOR EACH WARD WILL BE AVAILABLE WITHIN A FEW WEEKS, THE FIRST SUCH SINCE THE LATE 60'S.
  - WE ARE NOW GEARING UP TO ORGANIZE AND APPOINT A COMMUNITY ADVISORY COMMITTEE WHICH WILL CONSIST OF A BROAD CROSS-SECTION OF EXPERTISE AND COMMUNITY VIEWPOINTS TO PROVIDE FEEDBACK AS DRAFT PLAN DOCUMENTS ARE PRODUCED AND REFINED.
  - WE LOOK FORWARD TO WORKING WITH SENATE REPRESENTATIVES DURING THE COMPREHENSIVE PLANNING PROCESS.

- Downtown planning is one of the priorities of the Comprehensive Plan and that work is also progressing well.
  - Our initial concept paper, "Living Downtown", will be released on Friday, May 15th.
  - Additional background studies such as a downtown parking study and guidelines for streetscape design are nearing completion.
  - The appointments to a Downtown Advisory Committee within the overall Comprehensive Plan framework will be announced later this week.
  - We are continuing to improve the development coordination process affecting ongoing investment in downtown.
- Neighborhood development planning and coordination is also proceeding with special emphasis on recommendation for the Harmony Cemetary site in Northeast, the development of the Capital Gateway site in Southeast, the Howard Gateway area in Northwest and the Minnesota-Benning Station area in Northeast.
- We have continued to provide the Zoning Commission and Board of Zoning Adjustment with timely and thorough case analysis;
  - To date in FY '81, one hundred thirty three cases have been filed; we have prepared maps for each of the cases and have found it necessary to perform research and prepare in-depth staff reports for 91 of these cases.
  - We have also played a significant role in some major zoning cases this year; they include appropriate commercial parameters for development of Dupont Circle, Zoning for Hotels, the creation of a Hotel/Residential Incentive Zone in Downtown, and Community Based Residential Facilities which will affect the permanent placement of persons to be deinstitutionalized.
- Other accomplishments include:
  - Initial analysis of the 1980 Census Block data for the preparation of a Census Tract Address Directory and for the ward redistricting process.

- Formulation of a set of procedures to aid disposition of the city's surplus properties.
- And an evaluation of the station options for Metro at U Street, N.W.

MAJOR PROGRAM THRUST FOR FY 1982

o Our primary program thrust during Fiscal 1982 will be towards completion of the Comprehensive Plan. The importance of this exercise and the results that can be expected are the following:

- We will develop a sorely needed comprehensive development and conservation policy document
- We will develop maps to show the likely distribution of land uses based on the policy decisions as a guide to zoning, public actions and private development.
- We will create a common set of planning forecasts for social, economic and physical planning.
- We will develop strategies for implemention that are fiscally sound.
- We will be in a position to operate a Capital Improvements Program that reflects the city's planning goals.
- We will have a plan that will aid in the process of establishing budget priorities.
- In short, we will have installed a more cost-efficient planning management system within the District.

o It will be important that we continue to provide strong analysis and support to the zoning process.

o Finally, we continue to see the District's representation at NCPC, PADC and other intergovernmental bodies as a major thrust for FY '82.

CONCLUSION

The Office of Planning and Development will use a large proportion of its FY '82 budget to produce a plan that will reflect community values regarding the mix, location and timing of development. That plan will also reflect realistic costs and revenues associated with its implementation. It will truly be the policy base for future District budget submissions.

Thank you Mr. Chairman, we would be happy to entertain your questions.

Statement of Lawrence P. Schumake III

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I WELCOME THIS OPPORTUNITY TO TESTIFY ON THE FY'32 BUDGET REQUEST SUBMITTED BY THE DISTRICT OF COLUMBIA, OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT.

THE OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT (OBED) IS CHARGED WITH RESPONSIBILITY FOR MANAGING THE ECONOMIC DEVELOPMENT PROCESS IN THE DISTRICT OF COLUMBIA IN ORDER TO MAXIMIZE THE ECONOMIC BENEFITS OF DEVELOPMENT BY EXPANDING OUR TAX BASE AND INCREASING EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENCES. EXPANDED ECONOMIC ACTIVITY WILL RESULT LARGELY FROM PRIVATE SECTOR INVESTMENT. THEREFORE, WE MUST STRIVE TO ENCOURAGE THE KIND OF PRIVATE DEVELOPMENT THAT WILL BRING THE GREATEST ECONOMIC BENEFIT TO THE DISTRICT AND IMPROVE THE QUALITY OF LIFE OF ITS RESIDENCE.

AS AN EXAMPLE, AGGRESSIVE STEPS MUST BE TAKEN TO ENCOURAGE HOTEL AND RETAIL DEVELOPMENT. WE KNOW THAT D.C. REVENUES PER SQUARE FOOT GENERATED BY A HOTEL INVESTMENT ARE TWO AND ONE HALF TIMES THOSE GENERATED BY AN OFFICE BUILDING OF COMPARABLE SIZE. THIS DIFFERENTIAL IS DUE TO SALES, PAYROLL TAXES AND THE MULTIPLIER EFFECT OF THE EXPENDITURES OF HOTEL GUESTS. CLOSE TO 30% OF HOTEL EMPLOYEES ARE DISTRICT RESIDENTS WHEREAS, MORE THAN HALF OF THOSE EMPLOYED IN OFFICE BUILDINGS TEND TO BE COMMUTERS. A COST BENEFIT ANALYSIS OF THE RETAIL INDUSTRY WILL PRODUCE SIMILAR RESULTS. YET, IT IS QUITE OBVIOUS THAT MOST OF THE NEW STRUCTURES UNDER CONSTRUCTION WITHIN THE DISTRICT ARE OFFICE BUILDINGS. WE ARE WORKING HARD TO DEVELOP THE INCENTIVES NECESSARY TO REALIZE THE KIND OF DEVELOPMENT THAT WILL PRODUCE THE GREATEST BENEFIT. THROUGH THE IMAGINATIVE PACKAGING OF FEDERAL FINANCIAL PROGRAMS, CREATIVE USE OF TAX INCENTIVES, EFFECTIVE LEVERAGING OF CITY SURPLUS PROPERTY AND THE CAREFUL COORDINATION OF AVAILABLE CITY RESOURCES, WE CAN ACTIVELY ENCOURAGE THE TYPES OF INVESTMENT THAT WILL BRING THE HIGHEST RETURN TO THE DISTRICT. WE ARE FACING A GRADUAL OUT MIGRATION OF THE LIGHT INDUSTRIAL AND SERVICE BUSINESSES THAT ARE NOT ONLY IMPORTANT TO OUR TAX BASE, BUT ALSO PROVIDE THE BLUE COLLAR JOB OPPORTUNITIES SO CRITICALLY NEEDED BY A

LARGE NUMBER OF D. C. RESIDENTS. THEREFORE, WE ARE TARGETING SUCH INDUSTRIES AS THE PRINTING AND PUBLICATION INDUSTRY, THE FOOD WHOLESALING INDUSTRY, COMMUNICATIONS AND FILM PRODUCTION, AND MANY OTHERS.

VARIOUS INCENTIVES ARE BEING EXPLORED, THAT WILL BE USED DIRECTLY BY DISTRICT GOVERNMENT. FOR EXAMPLE, REVENUE BONDS FOR COMMERCIAL AND LIGHT INDUSTRIAL DEVELOPMENT ARE ESSENTIAL IF WE ARE TO EFFECTIVELY COMPETE WITH SURROUNDING JURISDICTIONS. OBED AND THE DEPARTMENT OF FINANCE AND REVENUE ARE EXAMINING BUSINESS TAXES TO DETERMINE CHANGES AND/OR REDUCTIONS THAT CAN BE RECOMMENDED TO IMPROVE THE BUSINESS CLIMATE AND EXPAND OUR TAX BASE AT NO NET LOSS OF REVENUE TO DISTRICT GOVERNMENT. THE USE OF ZONING INCENTIVES, SUCH AS THE RECENTLY APPROVED HOTEL INCENTIVE ZONE, REPRESENTS ANOTHER TYPE OF INCENTIVE THAT WILL BE CONSIDERED FOR DIFFERENT TYPES OF DEVELOPMENT IN VARIOUS AREAS OF THE CITY.

THE ENERGIES OF MY OFFICE WILL BE APPLIED INCREASINGLY TOWARDS COORDINATING THE RESOURCES OF VARIOUS CITY AGENCIES TO ACCOMPLISH SPECIFIC ECONOMIC DEVELOPMENT OBJECTIVES. THE FOLLOWING D. C. AGENCIES BECOME PARTICULARLY IMPORTANT PARTICIPANTS IN THIS PROCESS: THE OFFICE OF PLANNING AND DEVELOPMENT; THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; EMPLOYMENT SERVICES; ENVIRONMENTAL SERVICES; LICENSES INVESTIGATIONS AND INSPECTIONS; TRANSPORTATION, AND GENERAL SERVICES. EACH OF THESE AGENCIES, AS WELL AS OTHERS, ENCOMPASS VARIOUS ELEMENTS OF THE ECONOMIC DEVELOPMENT PROCESS. THE KEY IS TO EFFECTIVELY DRAW THOSE VARIOUS ELEMENTS TOGETHER THROUGH IMPROVED COORDINATION. THE LEGISLATION WHICH CREATED THE OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT ASSIGNED THAT COORDINATING ROLE TO MY OFFICE.

OUR COORDINATION RESPONSIBILITIES ARE GROWING AT A CONSTANT RATE. FOR EXAMPLE, WE ARE INVOLVED IN A PLANNING AND DEVELOPMENT PROCESS IN THE SOUTHWEST WATERSIDE AREA; AS WELL AS BEING DIRECTLY CONCERNED WITH COORDINATED MIX-USE DEVELOPMENT IN THE DOWNTOWN AREA; DEVELOPMENT OF A COMPREHENSIVE ECONOMIC DEVELOPMENT PROGRAM IN THE ANACOSTIA AREA, AS WELL AS IN SEVERAL other neighborhoods; and the analysis and implementation of industrial and service business redevelopment along the New York Avenue Corridor. All of these assignments involve linking the powers, resources and responsibilities of various District agencies.

We all know that the D. C. Government is passing through a period of financial austerity which will continue for some time. Our resources are very limited and we must be sure to maximize the benefits of any expenditure of public funds. We can achieve this by coordination and targeting our economic development efforts. We must be sure that every dollar spent for economic development has maximum impact and benefit for D. C. residents.

There are some 20,000 businesses operating within the District of Columbia. Many of them come to OBED for information and assistance. During Fiscal Year 1980 2,000 businesses contacted us. Of these contacts, 90% were requests for information and 10% were requests for assistance. Thus, during the past year, our office has assisted 200 businesses. Many of these firms need assistance with site location, development of their business plans, putting together financing or helping in finding their way through the city bureaucracy. Follow-up activity involves a great deal of staff time. The more businesses we effectively serve, the greater our creditability and, in turn, the more requests for assistance we receive. We expect to handle 3,000 request for information and assistance in FY'81 with an increase to 5,000 in FY'82.

OBED's responsibilities, functions and work load have increased significantly during the past year, and will continue to do so. It is for this reason that in FY'82 we have requested a budget $1,086,100, an increase of $705,800 over the FY'81 budget request of $380,300. This budget includes positions previously funded through other sources (EDA, CDBG, CETA). These additional 15 positions are in the budget at a cost of $400,900 with the balance of $304,900 budgeted for contractual services and other nonpersonnel services. We intend to expand our business informa-

TION CENTER. PROMOTIONAL MATERIALS WILL BE DEVELOPED AND DISTRIBUTED, AND EXHIBITS WILL BE ON DISPLAY TO ILLUSTRATE THE BUSINESS OPPORTUNITIES AVAILABLE IN WASHINGTON, D. C. WE DESPERATELY NEED THESE MATERIALS IF WE ARE TO EFFECTIVELY MARKET OUR CITY TO THE TYPES OF FIRMS THAT WE WISH TO ATTRACT. WE INITITATE PUBLICATION OF A QUARTERLY NEWSLETTER AND IN JANUARY, WE DISTRIBUTED OUR FIRST BUSINESS BROCHURE.

OBED REQUIRES SUBSTANTIAL AMOUNTS FOR CONTRACTUAL SERVICES. MANY OF THE PROJECTS WHICH HAVE GREAT POTENTIAL BENEFIT REQUIRE FEASIBILITY STUDIES OR ANALYSIS THAT ARE BEYOND THE CAPABILITY OF MY LIMITED STAFF. IN THE PAST, WE HAVE HAD SOME FEDERAL FUNDING FOR THIS PURPOSE. HOWEVER, THOSE DOLLARS WERE LIMITED AND THERE IS A NEED TO HAVE OUR OWN DOLLARS TO SUPPLEMENT THE EDA TECHNICAL ASSISTANCE DOLLARS, PREVIOUSLY AVAILABLE. FEASIBILITY STUDIES AND ANALYSES REPRESENT AN UPFRONT INVESTMENT ON THE PART OF THE D. C. GOVERNMENT THAT IS ESSENTIAL IN ORDER TO MATERIALIZE COMPLEX PROJECTS. IN THE FY'82 CAPITAL BUDGET, YOU WILL NOTE A FOUR MILLION DOLLAR LINE ITEM ENTITLED JOB AND TAX DEVELOPMENT PUBLIC WORKS FUND. THIS FUND WILL BE USED AS MATCHING FUNDS REQUIRED TO GENERATE FROM SIX TO EIGHT MILLION DOLLARS IN FEDERAL PUBLIC WORKS FUNDING FOR INFRASTRUCTURE IMPROVEMENT IN CONNECTION WITH ECONOMIC DEVELOPMENT PROJECTS. THESE PUBLIC WORKS FUNDS WILL, IN TURN, ENABLE THE DISTRICT TO LEVERAGE FAR GREATER AMOUNTS OF PRIVATE INVESTMENT WHICH WILL CREATE A STREAM OF ECONOMIC AND FISCAL BENEFIT OVER THE LONG TERM. ONCE AGAIN, THIS IS AN "UPFRONT INVESTMENT" BY THE D. C. GOVERNMENT WHICH CAN CATALYZE SIGNIFICANT PRIVATE SECTOR INVESTMENT.

MR. CHAIRMAN, AS YOU KNOW, RECENT EVENTS HAVE INDICATED THAT WE CAN ANTICIPATE DRASTIC REDUCTIONS, OR COMPLETE LOSS, OF FEDERAL FUNDING PREVIOUSLY UTILIZED BY THE OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT TO SUPPORT THE CITY'S ECONOMIC DEVELOPMENT PROGRAM. THESE INCLUDE COMMERCE (EDA), HUD (CDBG) AND LABOR (CETA). FULL FY'82 APPROPRIATION IS CRITICAL IF WE ARE TO CONTINUE THE ESSENTIAL FUNCTIONS OF THIS OFFICE.

THANK YOU.

QUESTIONS SUBMITTED BY SENATOR D'AMATO

OFFICE OF PLANNING AND DEVELOPMENT

QUESTION:
1. In the Office of Planning and Development all research and analysis takes place for city projects. Do citizens have the opportunity to comment on your plans as they are developing?

ANSWER:
1. The Office of Planning and Development performs various but not all types of research and analysis. Primarily it reviews major land development projects for the planning implications prior to zoning action, review by the National Capitol Planning Commission or other public action. These are not plans per se but impact evaluations and are made available to the interested public prior to formal zoning commission meetings, NCPC meetings or other bodies which are to make a public decision. Much of the analyses are internal staff documents until consideration of the project reaches a public decision-making body.

The agency also participates in special projects such as economic development planning for the Minnesota/Benning area or the revitalization proposal for the Eastern Market. Although private developers will eventually implement the special plans, OPD involves citizens through task forces and community meetings to develop the plans.

The agency also analyzes major demographic, housing, economic trends as a foundation for long-range planning. This sort of research will become available for citizens' review through the Comprehensive Plan Process.

QUESTION:
2. OPD is also the focus for long and short range planning as well as policy analysis. How do you exercise this responsibility with regard to sale of land owned by the District? Do you establish the land-use and zoning prior to its sale, and what bearing does that action have on the price the District receives?

Do you have any idea what the total market value of excess land owned by the District is?

If not, would you please provide that for the record.

ANSWER:
2. Non-urban renewal land sold by the District is released by a surplus property procedure. OPD can recommend parcels for sale based on an analysis of current uses and needs. The Mayor and City Council decides which parcels are to be sold and the DGS administers the sale.

At the present time the Executive Branch of the District Government has declared twenty seven (27) D.C.-owned properties excess, and has placed before the City Council a proposed resolution to declare them surplus in order that they may be disposed of. The total assessed value of these properties is $14,893,000. The assessed value may or may not equal the market value. The present policy of the D.C. Department of Finance and Revenue is to place an assessed value on a property equal to 100% of its market value. The assessments of the twenty seven excess properties are recent. But as we all know, the real estate market in D.C. is currently so volatile, that it is by no means certain the assessed values would equal the market values if the properties were up for sale this very day. The D.C. Department of General Services, which has administrative jurisdiction of these properties, estimates that the actual sales prices could be between 15% and 20% higher than the assessments.

QUESTION:
3. I know that since you last appeared before the Committee, Mr. Gibson, the Mayor has appointed a Board to oversee the Washington Convention Center, could you please tell us if the construction of the Center is on schedule and within budget?

How much of the appropriated construction funds remain unobligated?

ANSWER:
3. Mr. George W. Demarest, Jr., the General Manager of the Convention Center, has responded to the questions of schedule, budget, and construction funds obligated. A copy of his answer is attached.

QUESTION:
4. You note in your statement that the initial report as part of the District Comprehensive Plan will be issued Friday. Could you give us some of the highlights now?

What are the next reports due and when will the plan be completed?

ANSWER:
4. On Friday, May 15, 1981, Mayor Marion Barry released the background report, A Living Downtown for Washington, D.C.: Planning Concepts. The report describes the past and present conditions of the Downtown area between the Capitol and the White House, and outlines concepts for its future. The report serves as a base for the next phase of the Downtown Work Plan. The Downtown Plan is an element of the Comprehensive Plan.

Mayor Barry also announced appointment of a Downtown Committee. Luther Hodges, Jr., is Chairman of the Committee. The schedule calls for completion of a Draft Downtown Plan in late 1981, and completion of the Downtown Plan after public review in early 1982.

QUESTION:
5. As you will recall, there was considerable discussion during the House hearings on the 1981 budget concerning the development and implementation of the Comprehensive Plan for the National Capital. The Committee views this as an important document in guiding the City's future development.

a. Please provide an update on the development and implementation of the comprehensive plan. What work has been done? What work is remaining?

ANSWER:
5. The D.C. Office of Planning and Development has the responsibility for preparing the local elements of the Comprehensive Plan; while the National Capital Planning Commission (NCPC) has responsibility for the federal elements. So far, three elements have been completed. The NCPC completed the Federal Environmental Element and Foreign Missions and International Agencies element in 1979 and 1980. The District adopted the Goals and Policies element in 1979. Other work completed by the city include:

o Several special background studies have been completed; initial analysis of the impacts of all 40 subway stations located in the District have been completed and special studies on high-impact Metro station areas such as U Street between 11th and 14th Streets, N.W. have been completed.

o We have developed an integrated data base on which to make demographic projections and forecasts and land use policy recommendations effecting our 20-year time-frame for the Comprehensive Plan.

o We have established liaison with major community and professional organizations to broaden our base of input and support; among these are: the American Planning Association, the Federal City Council, the Citizens Planning Coalition, the Federation of Civic Associations, the Board of Trade and The Committee of 100 of the Federal City.

o Major planning consultants have been engaged; these consultants will conduct a fiscal impact analysis and a mover survey, and will assemble a panel of nationally recognized experts to assist with our demographic forecasting.

o We have now completed an inventory of existing land use; color land use maps for each ward will be available within a few months, the first such since the late 1960's.

o Our initial concept paper, "Living Downtown", was released to the public on May 15, 1981. At the same time, the Mayor appointed a committee of citizens and business persons to assist the staff in this effort.

o Additional background studies such as a Downtown parking study and guidelines for streetscape design are nearing completion.

o We are continuing to improve the development coordination process affecting ongoing investment in Downtown.

Some of the other work underway include:

o Demographic analysis and projections for 1985, 1990, 1995 and 2000.

o Land use inventory and projections for 1985, 1990, 1995 and 2000.

o Fiscal impact analysis.

o Metro station impact analysis.

o Preparation of a Comprehensive Plan for Downtown.

o Development of a Transportation System Plan.

WASHINGTON CONVENTION CENTER

QUESTION:
1. What is the status of the construction of the Center: Is it on time and on budget?

ANSWER:
1. As of May 27th the construction of the Center is on time and on budget. It is anticipated that the building will be completed by the Fall of '82.

QUESTION:
2. I know that you are aware of the concerns of the Washington Building and Construction Trades Council.

Have the goals for minority and resident hiring been met? What goal was established?

ANSWER:
2. A report prepared by the Department of Employment Services of the Government of the District of Columbia for the period February 1980 through March 1981 reflects the following statistics for employment and payroll by race, residence and sex.

	Minorities	D.C. Residents	Women
Employment:	63.7	45.1	1.4
	Minorities	D.C. Residents	Women
Payroll:	61.3 ($644,644.36)	43.6 (458,400.20)	1.4 ($14,295.96)

QUESTION:
3. What about his goals for small minority businesses?

ANSWER:
3. As of April of 1981, seven out of the first twelve contracts awarded went to minority firms, with a dollar value of $22.3 million out of a total of $44.8 million awarded.

The Mayor, by Executive Order, has directed that at least 51% of the value of all construction contracts and subcontracts shall be awarded to minority firms certified by the Minority Business Opportunities Commission.

OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

QUESTION:

1. Mr. Nicholas, could you briefly describe for us the current state of the local economy and what you now see as the near future?

ANSWER:

1. To the extent that the state of an economy relates to the availability of jobs through business and economic growth than that of the District, like the Metro Area is better than the norm. The principal force for a stable economy in this area continues to be the Federal Government and its related entities. This economy is in a growth pattern of four basic trends: (1) this area has become a prime retail market due in part to the relatively high average; (2) increasing headquarters functions of the central business district (i.e.: trade association, Law and R&D firms, etc.); (3) improved transportation, specialized labor market etc., attracting major employers to the District and/or Metro Area; (4) the continued increase in tourism.

Jobs that are on the increase are, in the main, for the highly skilled; jobs for the ever increasing office buildings. Jobs on the decrease are those for the semi to unskilled. Their services (light industry etc.) are moving to the suburban counties. This labor force is not moving with the jobs thus creating a large pocket of unskilled unemployed residents. One way this problem is being addressed by this office is the reshaping of our New York Avenue Corridor for appropriate light industrial development. Such development is labor intensive. We have targeted on such light industrial as food services, auto/truck repair and printing. These industries are labor intensive.

QUESTION:

2. When you attempt to recruit business to Washington, what are your main selling points and has it become easier or harder to relocate businesses here?

ANSWER:

2. Recruitment Selling Points

a. The potential profit to be gained from the Washington areas major commercial customers, i.e.: (1) the Federal Government; (2) Government related support commercials.

b. The potential profit to be gained from this, the fourth largest consuming market area in the U.S.

c. The relatively steady economy of this area.

d. The consistent high employment level of this area.

Note: The ever rising cost of square footage and the relatively high Worker Compensation and other benefit costs provokes more interest in relocating in the suburbs of the District. Because of the increasingly high cost of doing business in the District, our principle efforts are on business retention rather than attraction.

QUESTION:

3. Give us some examples of businesses you have brought to Washington in the last year?

ANSWER:

3. This office is involved with the relocation to the District of several sizable employer entities (business, National Associations, etc.). Two notable businesses with which we have completed the recruitment and are now in the site settlement phase area: Merchandise Mart and Bloomingdales.

QUESTION:

4. How would you distinguish your role from that of the Chamber of Commerce?

ANSWER:

4. The role of OBED is to coordinate economic development in the District and to perform as the official liaison of the the District Government and the business community of the District of Columbia. Accordingly, this office has a constituency of over twenty thousand business entities. The role of the D.C. Chamber of Commerce is to render business related services to its member businesses. Their constituency numbers less than one thousand. This office does liaison with all the non-profit entities (i.e.: Chamber; Board of Trade) which are involved in business development. To them we lend technical and, in some cases, financial assistance.

For the District Government this office has the prime responsibility for business development. OBED must identify design projects and, in coordination with the private sector, implement their completion. Throughout the process OBED and OPD interrelate.

QUESTION:

5. OBED plans to establish in FY 1982 a Public Works and Development Facility Investment program in cooperation with the Federal Economic Development Administration.

a. How will this program work?

b. Is it a revolving fund?

c. What are the local sources of funds?

d. What role does private investment in terms of capital play in this program?

5a. This program will finance public infrastructure improvements required for private business investment to occur in economic development target areas.

In general the fund will be used to meet local matching requirements of Federal assistance programs, including existing or new programs which provide for capital improvements in business areas. In a limited number of situations, the program may be used to finance capital improvements not eligible for Federal assistance or for other reasons not fundable.

Specific steps in use of the program will be as follows:

1. Working with private businesses in economic development target areas, OBED and supporting D.C. agencies, structure coordinated private/public investment programs. Often, but not always, public capital improvements to streets, sidewalks, utilities, and other infrastructure are needed to catalyze the private investment. Often also, improved city service delivery (such as police services) are required. Expedited development permit processing may be needed. In all cases, significant private investment in buildings, equipment, and inventory, is part of the package.

2. The target area investment program receives required planning reviews and is carefully evaluated in terms of public benefits. Great weight is given to estimated tax revenue and employment impacts in making a decision as to whether to invest

scarce public improvement dollars in the target area investment programs.

3. Required design and construction work on public improvements is typically carried out by DC/DOT, DC/DES, or DC/DGS, depending on the improvement required. In other cases, if necessary, other arrangements will be made. In all cases, public improvements meet high design standards.

5b. No. However, the city investment in public infrastructure is expected to yield a return to the city in terms of an increase in the tax base and tax revenues. As noted above, each project or target area program will be subject to economic impact analysis, and decisions on allocations of the fund will give great weight to the tax revenue yield, that is, to the estimated fiscal surplus generated by the project.

5c. The proposed capital budget account is the local source of funds.

5d. The program is designed to make public improvements essential to desireable private investment in expansion of District businesses, primarily. Typically, the District Government will not be successful in spurring such investment if it requires private companies to finance associated public improvements.

The private investment which is part of the coordinated private public investment program described above takes the form of new or renovated buildings, new business equipment, and related fixed assets, and increased inventory and making capital commitments to these facilities.

QUESTION:

6. You also must coordinate very closely with the Office of Planning and Development. How does that coordination take place?

ANSWER:

6. Legislation

The planning office is responsible for producing the comprehensive plan for the District. This plan involves total land use. It involves planning for residential, commercial, light industrial recreational, Federal Government use. This office impacts (at a policy level) on all business and economic development planning of the planning office. Representatives of OBED serve on OPD development task forces.

Policy and Implementation

The Development Policy Group was created in November 1980 to increase the effectiveness of local government participation in the development process and to coordinate development strategy and priorities through joint decision making, information sharing, expediting critical decisions, policy formulation and periodic reporting. The Assistant City Administrator for Planning and Development chairs this group and the membership includes the Executive Directors of the Office of Business and Economic Development, Department of Transportation and Department of Housing and Community Development.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

STATEMENT OF ROBERT L. MOORE, DIRECTOR

ACCOMPANIED BY:
SHARON GILLIAM, BUDGET OFFICER
ROBERT POHLMAN, COMPTROLLER
SIDNEY GLEE, ACTING ADMINISTRATOR

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. Our second witness is Mr. Robert Moore of the Department of Housing and Community Development.

Mr. Moore, if you would introduce those people who are with you and if you would like to proceed with your statement, or you may summarize it.

INTRODUCTION OF STAFF MEMBERS

Mr. MOORE. Thank you very much, Mr. Chairman, for the opportunity to be here for the first time. I join with you and the Senate's resolution on the unfortunate circumstances of this afternoon. Joining me are Sharon Gilliam, from the Budget Office; Mr. Robert Pohlman, Comptroller; and Mr. Sidney Glee, Acting Administrator. I will summarize my statement.

STATEMENT OF DIRECTOR ROBERT MOORE

The Department of Housing and Community Development is probably the largest comprehensive housing agency in the country, and that all pertains to housing in one agency. We have responsibility that includes urban renewal, public housing, all District housing programs and regulatory functions, including code enforcement, building inspections, and condominium conversion control.

Senator D'AMATO. Say that again?

Mr. MOORE. Condominium conversion control.

CONDOMINIUM CONVERSION

Senator D'AMATO. That kind of leaves me with the impression we don't want people to convert to condominiums.

Mr. MOORE. It is a District of Columbia law that provides that we regulate and control condominiums relative to some specific requirements under District of Columbia law. That is, we insure warranties issued by developers by maintaining a warranty fee. We approve the legal documents to make sure they are in good order and approve those procedures.

Senator D'AMATO. What about conversions? How many conversions have taken place on an annual basis?

Mr. MOORE. It is my understanding, over the last 4 years it was very few and then it climbed by 10,000 units in 1977 and 1978 and went down. This year we registered 57 condominiums for a total of 1,657 units.

Senator D'AMATO. Converted for 1981?

Mr. MOORE. In 1980 and 1981.

Senator D'AMATO. Do you have any figures on 1979?

Mr. MOORE. I don't have them.

Senator D'AMATO. Approximately. Is it about that same range?

Mr. MOORE. About 8,000 units.

Senator D'AMATO. So you went from 8,000 down to less than 2,000?

Mr. MOORE. We are talking about the first quarter of fiscal 1981 for the 1,657.

Senator D'AMATO. Do you have any applications? What do the applications for conversions look like? How many units have requested permission to convert?

Mr. MOORE. I don't have that figure with me.

Senator D'AMATO. How long does it generally take for a conversion from the time of submission to the time of approval?

Mr. MOORE. About 5 working days.

Senator D'AMATO. I don't know if that is good or bad. You mean if someone comes in and makes an application within 5 days they are either approved or rejected?

Mr. MOORE. Let me go at that in a different way because there is a whole process to get to there. If it is vacant you can go straight to the registration and bring in a registration document. Then they review it and give you approval to go ahead and convert. But if the building is occupied, the District of Columbia law requires a 60-percent tenant consent.

Senator D'AMATO. Sixty percent?

Mr. MOORE. Right, to convert. If that is there, the election is held and exemption granted, you go forward and convert under the District of Columbia law.

Senator D'AMATO. When you say grant exemption, what does that mean?

Mr. MOORE. A building that is vacant is exempt from control.

Senator D'AMATO. If someone comes in and takes a structure that has been abandoned, comes in with a plan to redevelop that structure and says, We are going to be a condominium or a cooperative, that process takes 5 days?

Mr. MOORE. That is correct.

Senator D'AMATO. Sixty percent, isn't that rather restrictive?

Mr. MOORE. I believe it is restrictive but the Council has voted that as the law. We have large responsibilities for production. We are producing now under our own efforts over 8,000 units.

CONVERSION OF 8,000 UNITS

Senator D'AMATO. When you say you are producing under your own efforts 8,000 units, would you explain what kinds of units and how do they come about? Because that is an amazing total.

Mr. MOORE. There are section 8 units that exceed about 3,000.

Senator D'AMATO. Annually?

Mr. MOORE. That we have under construction now. The annual total is going down.

Senator D'AMATO. Is that new section 8?

Mr. MOORE. New and substantial rehabilitation.

Senator D'AMATO. Is most of that substantial rehabilitation?

Mr. MOORE. About 50/50.

NUMBER UNDER CONSTRUCTION

Senator D'AMATO. So you have 3,000 presently under construction?

Mr. MOORE. Or recently occupied. We can provide the financing. We are due soon to have tax exempt bonds to provide financing for the majority of the section 8. We will be acquiring land now and making sure land gets into the budget to provide donated land for nonprofit organizations that are developing it.

Senator D'AMATO. It is a very ambitious program.

Mr. MOORE. We have loans. We have about a $12 million rehabilitation loan to loan money to developers to rehabilitate apartment complexes, single-family housing, two or four families, and we also have single-family home loan programs. Close to 300 of those are under construction. And we finance about $700 million in housing. We also have responsibility for commercial development on urban renewal land.

RENT CONTROL PROVISIONS

Senator D'AMATO. What is the District's situation in terms of your rent control provisions?

Mr. MOORE. We don't administer the rent control. That is done by the Rental Accommodation Office. That provides for a control that is set now in the law for up to a 10-percent increase per year with also an opportunity for hardship increases.

ABANDONMENT RATE OF VACANT HOUSES

Senator D'AMATO. What about the abandonment rate on apartments? We talked about new construction, rehabilitation and, I think that is just from my slight knowledge of urban areas and centers, totally inadequate, I do confess—my critics will say, you are more than inadequate. But the number of units that you are bringing in into construction into utilization is a very impressive total. I want to tell you that.

What about the abandonment rate annually, those units that become no longer habitable?

Mr. MOORE. Less than 20 units go up for tax sales. Because property values escalate in the District so much, we don't have very many units where the owner walks away.

Senator D'AMATO. Those units that no longer are habitable.

Mr. MOORE. That number has increased. I don't know if I have a precise number of vacant units. But I would estimate that it would be somewhere around 10,000.

Senator D'AMATO. Annually?

Mr. MOORE. No, total number of units.

Senator D'AMATO. So that what you are saying to me, that does not constitute a major problem?

Mr. MOORE. It does.

Senator D'AMATO. It does?

ACQUIRING VACANT PROPERTY

Mr. MOORE. We cannot pick up these units for $1. We have to go out and acquire them. We spend about $5 million a year acquiring vacant property.

Senator D'AMATO. Do you acquire by way of condemnation?

Mr. MOORE. We have the power of condemnation but we don't use it.

Senator D'AMATO. But you have been purchasing at a rate of about $5 million annually?

Mr. MOORE. Yes.

Senator D'AMATO. And most of that has been older abandoned structures?

Mr. MOORE. That is correct. And then we rehabilitate with our own loan.

Senator D'AMATO. Some you rehabilitate and some you put out for private sale under rehabilitation?

Mr. MOORE. We have not done that because we have a program where the private sector comes in for a loan. A private individual comes in and says, I have this building, can you loan me the money? And we make loans to private developers.

VACANCY DECONTROL ACT

Senator D'AMATO. Recently the Banking Committee passed an amendment to the Housing Law of 1981 in which the Banking Committee said that those communities that have rent control would lose section 8 housing unless new construction was not controlled and those units that became vacant were not under control. We are talking about a vacancy decontrol act.

Let me ask you a two-part question. No. 1, your rent control laws affect new construction?

Mr. MOORE. New construction is exempt.

Senator D'AMATO. Rent control or rent stabilization?

Mr. MOORE. On the new construction.

Senator D'AMATO. The City Council should be commended.

Mr. MOORE. We don't have vacancy decontrol.

Senator D'AMATO. Half a loaf is a pretty good start.

What about vacancy decontrol and what are your feelings in that regard? And if by way of political sensitivity you feel you can't or should not answer that question, I will appreciate that.

Mr. MOORE. It is the policy of the District. There was severe debate.

Senator D'AMATO. You can handle the most sensitive of questions without losing stride.

Mr. MOORE. We approached this subject and the Council felt we should go slow and this year provide legislation covering vacant units, where the owner can automatically increase the rent while it is vacant, either 10 percent or increase it to the next comparable unit's rent in that building. So in a sense there is semivacancy decontrol, but there is still a cap at 10 percent or the next higher rent of a comparable unit in the same building.

CUTOFF OF SECTION 8 FUNDS AND VACANCY DECONTROL

Senator D'AMATO. If you were faced with a cutoff of section 8 funds, would your recommendation to the Council be to opt for vacancy decontrol?

Mr. MOORE. If we are faced—I am an advocate for those I serve. If it is going to mean we cannot produce any housing, I can advocate. We have a waiting list of over 7,500 families who are waiting to get in. We are admitting families for three bedrooms that applied in 1976. And certainly it is my responsibility to see that in a reasonable amount of time those folks get housing.

Senator D'AMATO. Do you believe that vacancy decontrol would diminish or cut down on the abandonment rate that takes place in those buildings that are conformed to the old rent control?

Mr. MOORE. No. Two things are driving vacancy abandonment. One is the tax structure. When people amortize and depreciate all the debt—and the Congress several years ago took out the real use of depreciation—the person has nothing to do with planning on that income. So, it is counterproductive taxwise. The other is that they were caught with master meters where the whole building is metered for utilities and the double whammy is possibly on oil. The cost of utility increases is moving faster. That is creating a tremendous crunch.

On the one hand, we have a significant population that has an average income yearly of $17,000. So when you have those forces, you have a tremendous momentum toward closing of units.

Senator D'AMATO. And you don't believe a landlord could charge fair market rent or going market rates that would help pick up for that problem in terms of, let's say, the master meter problem?

Mr. MOORE. I think it would be a partial solution. I think tax incentives——

Senator D'AMATO. Partial solution?

Mr. MOORE. Yes.

Senator D'AMATO. You think it might ease part of that abandonment problem? It would be slowed down?

Mr. MOORE. We will see this year with the vacancy percentage that landlords charge, what impact it has on the market.

Senator D'AMATO. Is that the new bill, the 10 percent?

Mr. MOORE. Yes. It passed last year and became effective in January. So we have a year to see whether that vacancy decontrol provision has the effect of stabilizing some of the buildings that we are interested in.

PRIORITY OF CAPITAL PROJECTS

Senator D'AMATO. Let me ask you just one more question, the budget calls for an increase of almost $10 million in capital projects for $47,300,000. What is your priority in your capital projects?

Mr. MOORE. Well, my priority is the public housing. We have 12,000 acres of public housing, much of which has been neglected.

Senator D'AMATO. Older housing?

Mr. MOORE. 1938, 1937. They are in great need of rehabilitation. We do get HUD loans for my organization. But that is not enough. That is a small portion of the need for these projects. One of the things we are very proud of is that the District is putting some of its own money into the Housing Act, over 70,000 District residents. While there are some capital projects for streets that we need, where people live, improving their living environment will be our top priority.

Senator D'AMATO. That is priority No. 1?

Mr. MOORE. No question.

NUMBER OF UNITS REHABILITATED ANNUALLY

Senator D'AMATO. How many units do you rehabilitate annually by utilization of the District of Columbia money?

Mr. MOORE. We receive money for about three or four purposes from the District of Columbia. We receive rehabilitation money out of the operating budget. We receive HUD community development block grant funds and we receive other special funds. We are averaging 3,500 units a year, single- and multi-family relocation loans. We have a tremendous amount of units yet to do.

BUYING OF BUILDINGS BY TENANTS

We have two programs, one helps tenants buy their own building. We have a $5 million fund that we loan to tenant groups.

Senator D'AMATO. How long has that project been running?

Mr. MOORE. Two years.

Senator D'AMATO. How many units do you now have that are presently occupied with tenants who own their own building?

Mr. MOORE. We have 1,522 that have been purchased by tenants.

Senator D'AMATO. Is that a revolving fund?

Mr. MOORE. Yes.

Senator D'AMATO. Revolving $5 million annually?

Mr. MOORE. Yes.

Senator D'AMATO. It will not grow at some point in time?

Mr. MOORE. We are budgeting in the appropriations for some funds to help that grow because there are many more tenant organizations.

Senator D'AMATO. Is that within the budget?

Mr. MOORE. Yes, sir.

Senator D'AMATO. How many?

Mr. MOORE. $1,700,000.

Senator D'AMATO. A terrific program. I would like for the record to indicate that is the kind of innovative thinking that should be encouraged to give people a stake in their apartment and building. I want to commend the District and you, Mr. Moore, and the people, those of your staff moving in that direction.

Mr. MOORE. It is a great program.

Senator D'AMATO. It is too early to take a review of the retention rate and the kind of apartment units that you get. It would be interesting to find that analysis in comparison to the typical public housing where people don't have a stake in the place they live, and I don't knock that, but what the cost per unit comes out to, whether we don't do a disservice by not encouraging that kind of thing——

Mr. MOORE. It is certainly a good program and the tenants have been very aggressive. They have been able to get private loans. We provide the gap financing.

Senator D'AMATO. I am interested in the maintenance, the quality of life that exists in that area, and whether it is substantially increased as a result of that kind of economic ties and stake that people have to the building and to all those things that compliment the total complex.

Mr. MOORE. We have been having an exciting time and it is a pleasure to be able to help people. These are low-income tenants. Our largest loan we have leveraged is $600,000. We are doing very well. They are organized to do their own cleaning with respect to maintenance and preserve the house now that they own. We have also a home purchase assistance program where we assist people to purchase single-family housing with the downpayment from the Department, and last year we assisted 295 families through this loan program where we loaned the downpayment that becomes a second trust on the mortgage.

SUBMITTED QUESTIONS

Senator D'AMATO. Let me thank you for your participation. We have some additional questions which we will submit to you for the record.

Mr. MOORE. We have for you an analysis of all of the housing trends in the District, the sales prices over the last 10 years.

Senator D'AMATO. I can tell you that unfortunately I could not rent an apartment within the District that was within my means that would take care of my family.

Mr. MOORE. You are talking to the wrong people.

IMPRESSED WITH HOUSING PROGRAMS

Senator D'AMATO. Seriously, let me tell you that I am very impressed with the nature and quality of some of the programs that I have heard about today. And I think it is important that we provide people with the stake. I don't get upset about condominium conversions as long as people are not going to be pushed out onto the street. I certainly am very excited that we give people an opportunity to have a real stake in the place they live and that is a program that should be encouraged and built upon and developed.

I am delighted to hear that you have asked for additional increase in that revolving fund, an additional $1,700,000. I hope that next year you will come back and, obviously you have inflation and what not, but over and above inflation, will ask for an even further increase because I think in terms of priorities, that is the thing that pays great dividends, economically and sociologically.

We thank you very much for your time. We will insert your statements in the record at this time. In addition, I have some questions to be answered for the record.

[The statement and questions and answers follow:]

STATEMENT OF ROBERT L. MOORE

Good afternoon, Mr. Chairman and members of the Subcommittee. I am pleased to be here today to discuss the proposed Fiscal Year 1982 Budget for the Department of Housing and Community Development.

As you know, the Department implements a myriad of housing and community development programs that are designed to meet the needs of District residents. We also manage the District's public housing program; promote the development of District land and associated economic opportunities; and enforce codes and regulations governing housing, building and zoning.

Last year when we appeared before your Subcommittee we noted some of the Department's most significant accomplishments. We are continuing this important work during this fiscal year, with some notable accomplishments:

-- Direct Department sponsored housing rehabilitation activity for homeownership and rental housing opportunities has resulted in 3,935 units, either completed, under construction, or planned for 1981.

-- Housing acquisition for public housing (new and rehabilitation units) and non-public housing rehabilitation has yielded 1,098 units that have been acquired since 1979 or proposed acquisitions during fiscal year 1981.

-- Our rehabilitation loan and grant program has steadily improved. There are 258 units of housing under construction, over 92 units completed which includes carry over from 1979, processing is complete on 72 cases totalling $3,672,428, and approximately 218 loan applications are projected for 1981.

- -- Housing code enforcement projections for 1981 are for 100,000 inspections with 112 inspectors.

- -- We have geared up to implement the new Rental Housing Conversion and Sale Act of 1980 (D.C. Law 3-86), registering 57 condominiums for a total of 1,657 units; held 15 conversion elections, granted 25 exemptions for vacancy and exempted two buildings for low-yield cooperatives.

- -- Land parcel development through sites owned by the Department or the Redevelopment Land Agency since October 1980 has resulted in over 4,515 dwelling units, either completed, under construction or in the pre-construction stage (nearterm 6-8 months) for a total dollar value of $219,946,000; commercial development activity in similar stages of completion since October 1980 amounts to some 59,479,782 square feet and a total of $683,391,000; and we have approved public/institutional development for 409,400 square feet and $20,450,000.

- -- During this fiscal year our Building and Zoning Regulation Division has reviewed a total of 7,000 engineering and zoning plans, and have completed inspections of construction sites, elevators, boilers, plumbing, electrical, and zoning totally 46,200 inspections.

- -- In our Property Management Administration we instituted management improvement systems to upgrade staff skill and capabilities; implemented a home counseling and budgeting program for existing residents living in public housing; complied with the City's requirement for installing smoke detectors in public housing developments except for minor details; installed an electronic security system for all Senior Citizens in public housing impacting approximately 3,300 senior citizens; and obtained increased revenues totalling approximately $30 million for improving conditions in public housing, including some $19 million in Federal grants and $9.8 million in capital improvement funds.

-- The combined functions of our Housing and Business Resources Administration have continued to provide meaningful housing assistance to District residents. Such activities include:

1) Under our Tenant Purchase Assistance programs, we have helped tenants to purchase some 1,522 units with $5,000,734 in District funds actually spent and $2,914,000 in firm spending commitments.

2) Under the regular Home Purchase Assistance Program, we have helped approximately 190 families to purchase prior to October 1, 1980 and closed another 105 loans this fiscal year totalling $1,052,316.

3) We are continuing to provide technical assistance to tenant purchasers and counseling services to individual households.

4) Assisted a number of residents to find needed housing resources through our housing information and supply branch. Since October 1, 1981, we have assisted 39 first-time home buyers who have gone to settlement, and over 176 applications

were taken for new rental projects for DHCD priority households.

5) Provided substantial relocation assistance through our code enforcement section -- relocated 79 households, assisted 90 walk-ins, accepted 159 applications for public housing and subsidized housing; and processed 61 applications for condominium or cooperative conversion displacees.

-- Added additional Federal grant resources through a number of Federal grant programs, notably:

1) HUD Application through the Washington Area Council of Governments for funds to support a scattered site Public Housing Acquisition Program;
2) HUD/DOE Cooperative Agreement Application to Assess the Feasibility of a District Heating/Cooling System in a Community Development Area;
3) Department of Interior (HCRS) Urban Parks and Recreation Recovery Grant for the improvement of recreation facilities at the Greenleaf-Syphax Public Housing Properties;
4) Received approximately $17 million in public housing modernization funds for comprehensive renovation of the East Capitol Dwellings and $2 million for Langston Dwellings for heating renovations; and
5) Submitted applications for three Urban Development Action Grant projects totalling $15,857,407 (Willard Hotel, Thompson Plaza, Broadway).

-- And we have put in place several management improvement systems Department-wide to shore up the management of Department operations, such as issued a bid for a more effective tenant and urban renewal billing system; established a Records Management Program, established and staffed a Contract Compliance Division and leased office facilities at 1133 North Capitol Street, N.E., on April 1, 1981 for the consolidation of all Department staff from five locations to one office (except our Building and Zoning Regulation Administration and Property Management Administration field staff).

While these activities combined the resources received from Federal and appropriated dollars, we are in need of ongoing basic resources to fund core staff and needed services for District residents. Our Department continues to have the major portion of its programs and staff funded by declining Federal dollars. For example, in our Community Development Block Grant program, funding has declined from the entitlement grant in Fiscal Year 1975 of $42 million to $23.5 million in Fiscal Year 1981, with a 20% holdback applied every year except the first year.

In the Fiscal Year 1982 Budget, we are requesting a total of 338 positions and $13,429,400, a decrease of $29,600 from 1981. Non-appropriated funds include some $47 million in Federal grants; $24 million in private funds and other revenues; and Intra-District Sales Revenues of $2.4 million. The Fiscal Year 1982 Budget request is an increase of 26 new positions and a decrease of $29,600. It continues our effort from Fiscal Year 1981 to fund core staff with appropriated dollars (a total of fourteen new positions). In addition, we are requesting ten new positions to administer the new "Rental Housing Conversion and Sale Act of 1980". We have collected $331,667 for FY 1980 and $36,123 for FY 1981 in registration fees under this Act; and approximately $5,000 in certification fees for FY 1981 and another $120,000 in conversion fees for housing assistance in FY 1981. We are also requesting two positions to carry out the provisions of D.C. Law 2-144, relating to historic preservation.

In the program area, we are increasing appropriated funds for the Home Purchase Assistance Program by $1.7 million for 125 loans, and the building and Site Purchase Program by $1 million for approximately 100 units of housing. These increased program funds will be obtained by redirecting this amount from the Rehabilitation Financing Program and the First Right Purchase Assistance Program. These latter two programs provide for the generation of revenues through the collection of loan repayments; thus, funds were not requested for these in Fiscal Year 1982.

Also, the Fiscal Year 1982 Budget request includes $33.2 million in capital improvement projects. They include:

--	Comprehensive Renovation at Barry Farms Public Housing (342 units, built 1943)	$14.4 million
--	Master utility construction at Fort Lincoln	$ 1.6 million
--	Comprehensive Renovation at Benning Terrace Public Housing (274 units, built 1960)	$ 9.1 million
--	Public Housing Improvements - Various Locations City-wide (lobby renovations in all Senior Citizen buildings, air conditioning in Senior Citizen buildings, underpinning, sewers, heating, rehab of single-family homes on scattered sites.	$ 8 million

The Department will continue to move ahead during this fiscal year to complete major housing and economic development opportunities. We urge your favorable consideration of the Fiscal Year 1982 Budget request to continue this progress.

I will be glad to answer any questions you may have.

QUESTIONS SUBMITTED BY SENATOR D'AMATO

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

QUESTION:
1. What kind of a housing backlog does the District have right now - first in terms of those waiting for public housing?

ANSWER:
1. Preference for Families on the Waiting List:

Families are assigned in the following order of preference.

1. Families who are displaced by government action and have emergency priority due to extensive housing code violations that are detrimental to the health and safety of the occupant.

2. Families who have qualified for emergency housing placement under PMA Emergency Housing Point System.

3. Families who are displaced by government action but have been determined that an extreme emergency does not exist.

All other families are assigned according to their date of application and housing need.

Total	Bedroom Size	Pending Applications	Presently Interviewing Families With No Priority
7579	0 - 1	2388	Jan. 1978 (All elderly)
	1 E	247	Feb. 1980 (All elderly)
	1	688	Feb. 1979
	2	2337	Dec. 1976
	3	1400	Jan. 1974
	4	427	N/A (Emergency and displaced families only)
	5	92	N/A (Emergency and displaced families only)

QUESTION:
2. Where are those people housed in the meantime?

ANSWER:
2. Usually, the applicants that apply for public housing are living with relatives and friends. Mostly, in overcrowded and substandard housing. A number of applicants are homeless and residing in short term city supported emergency shelters and privately operated social service agencies, such as House of Ruth, Gospel Mission, SOME (So Others May Eat), and the Blair House.

QUESTION:
3. Secondly, in terms of affordable single family housing? Is the availability of suitable housing driving people to the suburbs?

ANSWER:

3. While the population of the District has dropped during the 1970s, the supply of housing and the number of occupied units has remained fairly constant, as shown on the following table. (Source: U.S. Census, Annual Housing Survey, 1977)

	1977	1974	1970
Owner Occupied Units	81,600	77,700	74,100
Renter Occupied Units	174,900	180,000	188,500
Total occupied Units	256,500	257,800	262,500
Vacant Units	18,900	14,600	15,900
Total Housing Units	275,400	272,400	278,400

In addition, an analysis of building permits for new construction shows the following.

	Average Annual New Units Authorized	
	1976 - 79	1971 - 75
Single Family Units	944	417
Multi-Family Units	1095	588
Total Units	2039	975

Based on this data it would not appear that movement of families to the suburbs is being generated by the lack of available housing, especially in the single family area (note: we believe the escalation of housing prices is a serious problem in the suburbs as it is in the District). Rather, we believe that the population changes reflect other demographic factors. Families with children appear to be continuing to move to the suburbs (continuing a trend well established during the 1950s and 1960s), while smaller households are attracted to the District. This would account for the falling District population but a relatively constant number of District households. This is further confirmed by Census data on household size which shows that from 1970 to 1977, median owner household size dropped from 2.8 persons to 2.5 persons and medium renter household size dropped from 1.9 to 1.6 persons.

QUESTION:

4. What is the status of condominium conversion in the District? At one time you had a moratorium; is that still the case?

ANSWER:

4. The District of Columbia currently has legislation which regulates the conversion of rental property to condominium or cooperative units. Regulatory legislation has been in effect since 1976. The original legislation provided for conversion of occupied rental property to condominiums in two cases: 1) where the rents charged in the property exceeded a certain level roughly equivalent to

Section 8 levels, and 2) where a majority of tenants consented to the conversion.

Legislation which went into effect in June of 1979 eliminated conversions based solely on rents charged. This legislation was often inaccurately referred to as a "moratorium". More recently, in August of 1980, the regulatory scheme which currently governs conversion went into effect. This legislation, the Rental Housing Conversion and Sale Act of 1980, provides for an election by the tenants with a majority vote required for conversion, and protects low income elderly tenants from eviction.

The number of rental units converted to condominiums in the District since 1976 has been as follows:

1976	184 units
1977	395 units
1978	1918 units
1979	4287 units
1980	4654 units

The number of units converted to cooperatives have not exceeded 500 in any one year.

QUESTION:

5. What is the District's situation with regard to rent control? As you probably know, as a member of the Banking Committee, I recently sponsored a measure that would penalize cities that control rents on new housing or keep it on old units as they turn over. How would this affect the District?

ANSWER:

5. The Council recently enacted an extension of rent control which included a higher level of rent increases than allowed under earlier law. It is hoped that this new law will make possible a better cash flow picture for existing rental housing.

Rent control was passed initially in 1974 in response to rapid rent increases in direct response to the rapid escalation of energy prices, which are passed through in the form of increased rental rates. The present rent control law allows for a pass-through of utility cost increases plus a reasonable increase beyond that level. While housing is going through a difficult adjustment period in relation to increased energy costs, as are other sectors of the economy, there remains the need to protect tenants against exorbitant rent increases that far exceed their ability to pay.

However, we cannot support any approach to penalize cities with rent control laws by such measures as cutting off low income housing assistance funds. This would only aggravate and worsen the situation without offering any positive incentives (see items 1 - 3 below) to solving a difficult and complex problem. As shown in the building permit data in respect to question 3 above, the District has actually doubled the rate of new multi-family construction in the period after rent control as compared to the early 1970s. This has been possible only through the availability of Federal housing subsidies. If such subsidies were cut off, the impact would be disastrous on the supply of rental housing in the District. (As shown in response to question 3 above, the rental stock is already dropping, primarily as a result of condominium conversions.)

We believe that rent control is not primarily responsible for the problems of rental housing in the District or in other major cities around the country (with or without rent control). In fact, new construction is exempt from District rent control and yet there is practically no market rate rental development in the city. The problem of rental housing here and around the country is, we believe, the lack of enough positive incentives to make rental housing profitable. We would suggest positive incentives to encourage rental housing such as the following.

1. Changes in tax laws to provide greater incentives, especially for improvements to existing rental housing. For example, it is now much more profitable for an owner of rental housing to sell for conversion to condominiums than to sell to tenants or make other improvements.

2. Probably the most severe financial "red-lining" in the District and other cities is for financing or refinancing rental housing (with or without rent control). Tax incentives would help generate new financing resources. Also, creation of new insurance or co-insurance programs and/or secondary market programs relating to refinancing older rental housing would be helpful (similar to the functions served by FHA and FNMA in the single family market).

3. Instead of eliminating funding for weatherization programs (as is proposed), increased revenues from the special energy profit taxes should be used to generate expanded weatherization funding, with special emphasis on insulation programs for rental housing. This would help reverse rent increases related to higher energy costs.

Putting together such a comprehensive national program of incentives for rental housing (which could be more focused on financing and tax measures than on increased Federal grants) is probably the only effective long term remedy for eliminating rent control in the District and other areas of the country. Mere elimination of rent control is not sufficient to put rental housing on a profitable basis. The failure of household income to keep up with the energy related increase in rental housing management costs has created the market forces which keep rental rates below the level needed to meet increased costs, thereby taking the profitability out of rental housing. Positive incentive type programs are needed to make rental housing a profitable enterprise.

QUESTION:
6. Your budget calls for an increase of nearly $10 million in your capital budget to $47.3 million. What are your priority areas for

capital projects? Is it for new construction or to rehabilitate existing structures?

ANSWER:
6. The question is apparently in error. Our capital budget was submitted at $33 million. No increase was requested. The capital budget will be used primarily for rehabilitation (modernization of public housing).

QUESTION:
7. This Department was one of those reported as overobligating its fiscal year 1980 appropriation. The amount involved was $2.5 million, and this amount is included, according to media reports, in the deficit reported for 1980. The District intends to finance the deficit by selling general obligation bonds, which if the reports we hear are correct, will cost the taxpayers about three dollars for each dollar financed.

The District's fiscal year 1982 budget justification for the Department discusses some significant redirections of funds from programs authorized for fiscal year 1981, to expand certain programs in 1982. It seems to us that these redirections, which indicate either a conscious decision to forego approved programs or a recognition that the programs are not needed or have a lower priority than originally thought, could as easily have been made to reduce the deficit, at least to the extent of clearing up that portion attributable to the Department's overobligation, rather than increasing other program activity in fiscal year 1982.

a. Did you consider redirecting some of these amounts to help deal with the deficit?

b. Since the fiscal year 1981 budget was supposedly balanced and the redirection deals with budget authority and not funds, what is the status of the funds which would have been used had the authority not been redirected?

ANSWER:
7a. The primary redirection in the 1982 budget was to provide $1,700,000 for the Home Purchase Assistance Program. This program provides downpayment loans up to $16,000 for low-moderate income households to assist them in buying a home. It was determined that funding of this program should not be deferred because: 1) the cost would rise in future years as housing prices increase; and 2) displacement of low-moderate income renters is a growing problem which could be partially remedied by this innovative program. The District has made improved homeownership opportunities a high priority. Thus, redirection from this source to cover the deficit was not considered.

7b. Funding authority for the Home Purchase Assistance Program in 1982 was redirected from the First Right Purchase Assistance Program, which is being funded in 1981. All First Right Purchase Assistance money has been obligated in 1981 and is being disbursed as short term loans to tenant organizations who are purchasing their buildings.

The additional core positions are for existing staff presently supported by Federal funding. The Department must shift a proportionate share of management support costs to the appropriation from Federal grants or risk audit disallowances for failure to provide an equitable distribution of support costs between grants and local funding. Additionally, as Federal funding decreases, it is essential that the District fund the essential management core positions in order to insure continuity in managing essential departmental functions.

QUESTION:
8. On page DB-3 you show housing unit inspections being substantially reduced; how is that possible?

ANSWER:
8. We had anticipated filling seventeen vacant inspectional positions, for an increase of 15,009 housing units to be inspected in FY 1981 over that which was estimated in FY 1980. However due to the reprogramming of funds the seventeen positions were not filled.

Therefore, the projected number of units to be inspected in FY 1982 has been lowered to reach an achievable goal as we were able to obtain in FY 1980.

QUESTION:
9. The Committee has received a number of inquiries from local citizens concerning the administration of Section 312 housing rehabilitation program. How long does it take from the time a person applies until the application is either approved or dis approved?

ANSWER:
9. The Committee requested information pertaining to the Section 312 Housing Rehabilitation Program. On that particular program, the Department would not have information relative to some of the questions that follow, such as numbers 12 and 13. However, the Department operates a Community Development Loan Program and we have supplied responses to numbers 12 and 13 relating to the Department's Community Development Program, as well as numbers 9, 10, 11 and 14.

In the past it has taken approximately nine months from the time a person applies for a Section 312 Loan until the application is either approved or disapproved.

QUESTION:
10. How many applications are one year old? Two years? Three or more years old?

ANSWER:
10. Our backlog list does not reflect the date of application, however, the date of applications are being applied to the list for purpose of ascertaining how many applications are one year old, two years old, or three years old or more. Of the 355 cases in the backlog, approximately 125 cases are one year old, approximately 110 cases are two years old, and there are approximately 120 cases that are three or more years old.

QUESTION:
11. What is the total backlog and are you accepting new applications?

ANSWER:
11. The total number of cases in the backlog as of June 2, 1981 is 355. We are not accepting new applications for Community Development Rehabilitation Loans, except for emergency loans to be used for emergency repairs and not to exceed $10,000.

QUESTION:
12. Since these are loans and not grants, could you tell us what is the total amount currently outstanding in the District? What interest rate is charged on these loans?

ANSWER:
12. There is currently approximately $11,784,929 outstanding in the District. This amount excludes deferred payment loans which are loans that are not paid on a monthly basis, but are payable only when the property is sold. The interest rate charged on the outstanding loans range from one percent to nine percent.

QUESTION:
13. Are repayments on schedule? If not, how much is past due and what success are you having in making these collections?

ANSWER:
13. Repayments are not on schedule. Forty percent of all loans due are delinquent. The amount past due as of April 31, 1981 is $3,856,438.31.

QUESTION:
14. What are your intentions regarding the future of this program?

ANSWER:
14. It is our intent to completely restructure the Rehabilitation Loan and Grant Program. This restructuring will be accomplished with technical assistance provided by the Department of Housing and Urban Development and the National League of Cities Rehabilitation Advisory Service. It is anticipated that complete restructuring will take approximately six months and that the result will be minimum application processing time, minimum construction period and increased production.

QUESTION:
15. The effect of rent control on housing investment in the District is a concern to you I am sure. Do you have any data that shows the real dollar investment in existing and new units before and after the institution of rent control?

ANSWER:
15. Unfortunately, we do not have comprehensive data to conclusively answer this question. It is our impression that regular expenditures for maintenance and repair of existing rental housing have been reduced by many owners. However, this has been necessary primarily to meet increased energy costs, which occurs in cities without rent control as well as the District. In terms of new construction, based on building permit data for new multi-family housing construction, the four years of 1970-1973, before rent control saw 5129 units, as opposed to the six years of 1974-1979, after rent control which saw

9881 units. On an annualized basis, production of new rental housing has actually increased since rent control, primarily as the result of increased Federal housing assistance. However, we should note that, new construction market rate housing seems to be making a small revival in the District for the first time since the late 1960s. In the last year, about 300 units of new market rate rental housing (in two developments) has been completed and successfully occupied, and another 200 units will be constructed during the next year. This is a hopeful sign. However, as noted in question program of positive incentives is needed especially for existing rental housing.

QUESTION:
16. Recent newspaper coverage reported that the Department stripped control over $1.5 million in housing rehabilitation funds from the D.C. Development Corporation. The establishment of DCDC was hearlded as a sort of "saviour" for District housing programs.

a. Please provide the Subcommittee with a full report on the history of DCDC leading to the Department's takeover.

b. How much hasDCDC spent on housing activities from inception through the takeover? How many units were involved and what outstanding liabilities exist against units which were supposedly complete?

c. How much District money will be lost because of DCDC's activities?

d. Are any criminal charges pending against DCDC officials or contractors involved in DCDC activities?

ANSWER:
16a. The D.C. Development Corporation (DCDC) was formed in 1974. The entity was created by merging the New Model Cities Housing Corporation and Model Cities Economic Development. DCDC was to carry on with and enhance the development of low and moderate income housing, and provide financial and technical assistance to the socially and economically disadvantaged entrepreneur of the District of Columbia under the Community Development Block Grant Program. DCDC was contracted with the Department of Housing and Community Development to fulfill this mission. The contracts have been renegotiated on an annual basis, requiring DCDC to provide certain services. In addition, funds for both administration and development are provided DCDC through these contracts.

Through the years of its existence, DCDC has developed low and moderate income housing via rehabilitation of older dwellings as well as new construction. The developments include:

New Construction

Trinidad I - 4 Townhouses	completed
Trinidad II - 20 Townhouses	completed
Bellevue Crest - 7 Townhouses	completed

Rehabilitation

1000 P Street, N.W. - 12 units	completed
Wyatt Daughtery Condo - 15 units	completed
Trinidad Rehab - 12 units	completed
700 Block of 6th Street, N.W. 716, 718 & 720 - 3 units	completed
Kenesaw - 78 units	partially completed
Wade - 55 units	partially completed
RO-25 - Single Family 42 units	completed
RO-25 - Multi-Family 31 units 11 buildings	completed
Seaton Street, N.W. - 12 units	completed
Urban Homestead Scattered Sites 37 units	completed
Brookland Homes - 35	completed
Crawford Homes - 68	partially completed

While housing development dominated the activities of DCDC, the housing services and economic development activities played major roles in the improvement of the lives of the District's less fortunate population.

The housing counseling service, the Home Purchase Assistance Program (HPAP) and the First Right Program are all administered by DCDC. The programs have been and continue to be overwhelmingly successful. The first Urban Development Action Grant (UDAG) award to the District of Columbia was awarded to DCDC's HPAP. The First Right Program, which assists tenant groups in purchasing their dwellings, is the newest of the housing services and this too, has been quite successful.

In the areas of economic development, DCDC and its subsidiaries and affiliates have contributed greatly to the small business community of the District of Columbia. The latest and perhaps the most successful of DCDC's economic development projects is the O Street Market/Giant Supermarket Center. This was the first major neighborhood commercial development in the city in over twelve years. The Center brought about the creation of over 200 new jobs, convenient retail shopping to the residents of the Shaw community and increased revenue to the city. DCDC played a major role in this development.

Additionally, funds invested and loaned to small businesses meant the difference between survival and failure as well as provided opportunities to those who would otherwise not have the opportunity to enter the business world.

A loan and a stock purchase by DCDC in a company that was about to go out of business enabled the company to sustain itself and as a result, today, it now employs over 300 persons, is quite profitable and making a significant contribution to the Washington community. It has also long since repaid the loan and repurchased its stock at a handsome profit to DCDC.

In focusing on DCDC's present situation with its housing development activities, two factors come into play. They are DCDC's unsuccessful efforts at serving as general contractor/construction manager and the tight money and real estate market.

Much has been made of DCDC's problems with the development of the Kenesaw and Wade. However, it merely points out the difficulty one encounters in its attempt to develop housing for the poor and at the same time utilize contractors who are not considered part of their established group.

16b.

Housing Activities	Cost	Units
New Construction and Rehab	$11,217,241	431
Home Purchase Assistance Program	$ 1,920,993	186
Total	$13,138,234	617

16c. This information cannot be ascertained with certainty, at this time.

16d. No; not to our knowledge.

QUESTION:

17. On page 227 the responsibilities of the Housing and Business Resources Administration are set forth. This statement points out that the organization is the city's central relocation agency. Yet on page 311 the Budget Justification states that, among other things, the Rental Accommodations Office provides relocation assistance. Please tell the Subcommittee why this split in responsibility is not a duplication--when we are aware that there is specific D.C. legislation authorizing the Rental Accommodations Office to provide relocation assistance?

ANSWER:

17. The Housing and Business Resources Administration functions as the Central Relocation Authority for the District of Columbia, vested with the responsibility for providing relocation programs and benefits for residents, businesses and nonprofit organizations, including: 1) District and Federal public works; 2) Code Enforcement relocation; and 3) Cooperative and Condominium relocation. The Rental Accommodations Office enforces: 1) rental regulations governing private landlords and tenant relationships; 2) monitoring the adherence to the status ensuring the rental and rent requirements of landlords in the private sector; and 3) referral of all displacement to DHCD.

The Rental Accommodations Office does not provide relocation assistance or services to displacees.

QUESTION:

18. The Department was one of the District organizations that overobligated its appropriation, by most accounts in the amount of $2.5 million. The reasons given for the overobligation was "undercollection of Public housing rents."

a. Would you please explain what this means? Are public housing tenants not paying rent due, and if so, what is being done about it?

b. How much was public housing rent supposed to be in FY 1980 and how much was collected? What were the amounts for FY 1979 - for FY 1981 (estimated)?

c. How much do you lose in uncollectable public housing rent each year? Please give the details for FY 1979, 1980 and 1981 (estimated).

ANSWER:
18a. "Undercollection of public housing rents" occured for the following reasons.

- The budgeted projection was based on 98 percent occupancy rate during the budget year, at a projected $94.43 rent per unit, per month. Actual occupancy at the end of the second quarter was 10,842 or 92 percent, and the actual per unit rent per month has averaged $93.15.

- The Authority's ability to repair and return routine vacancies for occupancy has been severely negated as a result of HUD subsidy being approved at a level far lower than requested. The low subsidy funding prevented the Authority from hiring the necessary staff and from purchasing adequate supplies to complete repairs in the vacant units. At the end of the second quarter there were a total of 458 vacant units requiring minor rehab.

- Re-examinations of residents in occupancy were delinquent due to the Authority's inability to hire the required number of Technicians to conduct the re-examinations.

- Increasing numbers of residents have become delinquent and sought judgement through the Landlord/Tenant Court to pay their rent into the court registry because of deferred maintenance of their units. Again, the Authority's inability to hire the necessary staff has negatively impacted its ability to perform these repairs and get the rents from the court registry.

A number of steps are being taken to maximize collection of rents from public housing tenants including:

- The training of all administrative field office staff to conduct re-examinations.

- The utilization of the eight highly skilled re-examination technicians to review re-examinations for accuracy and post rent changes for charging.

- Identification of a private data processing firm to handle tenant billing in an effort to process rent changes and issue statements in a more timely manner.

- The establishment of an eight member rehabilitation maintenance crew to concentrate on abating code violations in units of residents who are paying into the court registry.

- The establishment of budgeting seminars, conducted by DHCD staff, with attendance requirements as part of the 30-day notice for chronic rental delinquency.

18b. The following is a table showing the estimate of collections prepared at the beginning of the year and actual collections at the end of year for FY 1979, 1980 and 1981 (collections through April 1981).

Rent Collections	Budget	Actual Collections
FY 1979	$ 9,500,000	$ 9,515,915
FY 1980	11,883,950	10,073,386
FY 1981 (4/30)	13,009,220	5,420,227

18c. See response to 18b. above. Note that there are losses in uncollectable rent for FY 1979, 1980 and 1981 (estimated).

QUESTION:
19. We note that you are requesting a staffing increase for 1982 - 26 positions - and yet your budget request shows a slight decrease. We are aware of the decrease in OTPS in an amount that approximates the increase in PS.

a. Please explain why your staffing is increasing again?

b. What do you consider to be the optimism [optimum] staffing level for your Department?

ANSWER:
19a. Staffing in 1982 increases by 26 positions as follows:

- 10 positions for the Condominium and Cooperative Regulation Program
- 2 positions for the Historic Preservation Program
- 14 positions for management core support

The positions for Condominium and Cooperative Regulation are in part to fund staff who have been diverted from regular duties to assist in administering the Rental Housing Conversion and Sales Act of 1980, D.C. Law 3-86. Additional staff is needed to implement the provision in the law which requires relocation benefits and housing subsidy to persons displaced through conversion. The law also requires the regulation of the sale of rental housing, which this Department must now administer.

The two positions for Historic Preservation are to fund staff who are not eligible to be supported by Federal funds. This staff will administer D.C. Law 2-144 relating to Historic Preservation in the District. Presently there are no appropriated staff supporting this regulatory function. Local funding must therefore be provided if the law is to be enforced.

19b. The optimum staffing level to be funded from appropriations will depend upon the level of Federal funding in the future. If Federal funds continue to decrease, additional funds will have to be shifted to the appropriated budget in order for the Department to function.

QUESTION:
20. How much land, acquired under the old urban renewal program, does the District still own? What is the value of the land and what are the city's plans for disposing of the land? What will happen to the funds obtained from the disposition? Will any of the funds be available to help with the city's financial problems?

ANSWER:
20. The District owns 30.58 acres (27 parcels) in this category which are not under tentative designation or exclusive right to develop a proposal.

The value of the land is $17,180,368. This represents the projected disposition price. Each of these parcels will have an updated appraisal within six months of the time we convey the land. The District of Columbia Government is in the process of marketing the remaining land which was acquired under the urban renewal program. However, the land will be appraised and a value established prior to the actual disposition of the land.

These funds will be used to curtail the note and bond indebtedness that was used to generate revenue to acquire this land. The residual funds will be used for other Community Development eligible activities.

No.

QUESTION:
21. Some time ago we read that HUD was holding up some CDBG funds because of poor administration of the program. What was the problem (we know that the same thing happened a few years ago)? Has it been corrected? What is the current status of CDBG funding - are you back on schedule? What effect did the delay have on your operations?

ANSWER:
21. The problems which led HUD's current restrictions on the use of CDBG funds generally concerned three aspects of the CD program's administration:

- a large backlog of applications for rehabilitation loan and grant assistance;
- compliance with Labor Standards relating primarily to the adequacy of documentation that contractors paid employees in accordance with Davis-Bacon wage rates; and
- financial management and monitoring.

It should be noted that similar action by HUD in the past was related to other concerns which have been resolved. In all three areas of HUD's current concern, the District has made substantial improvements and instituted new procedures. These procedures and improvements have been set forth in correspondence and meetings with HUD staff over the past several months. As of this date, HUD has not formally responded to the District on all of these matters. The District believes, however, that it is in substantial compliance with HUD's requirements. Nevertheless, some details remain to be resolved, such as those which require the redesign of the reporting capabilities of the District's Financial Management System to meet HUD's reporting requirements.

The status of the CDBG funds is that the District has a request pending for authority to spend a portion of its entitlement funds for the third quarter (April-June) of the current program year. A total of $12 million has been authorized based on program needs presented to HUD for each of the first two quarters of the year. Under these circumstances, the District has not been able to meet its schedule for certain planned program activities. Unitl HUD lifts the current quarterly restriction on the District's spending authority, the program will continue to suffer from needless delays and excessive administrative burdens. For example, several third party contract activities, which are normally carried out under annual contracts, have had to be renegotiated and executed on a quarterly contract basis due to our limited spending authority.

We have been recently advised that the funds for the third and fourth quarter of CD-6 will be released by HUD this month.

RECORDER OF DEEDS

QUESTION:
1. In the narrative on p. DG-3, you state that nine positions have been abolished, yet the authorization for f/y 81 was 55 positions the same as the request for f/y 82, and the average employment for f/y 81 is shown as 52 with year end employment of 54. Please explain this discrepancy.

ANSWER:
1. Under the 1980 budget the agency had 64 authorized positions; during fiscal year 1981 the number of authorized positions was reduced to 55--a reduction of 9 positions. That same level (55 positions) was retained for the 1982 budget. In addition, the agency had 11 CETA positions at the beginning of FY 1982 which no longer exist. The result is a greatly reduced operating staff. (Please see table 2 of the 1982 budget--a copy is attached).

During the 1981 fiscal year, the agency was also faced with a projected deficit of $60 thousand of unanticipated expenditures because of retirements, early retirements, and payments to a former employee under Workemen's Compensation for an injury sustained while employed with the Recorder of Deeds.

The above, coupled with the general freeze (Mayor's Order 80-83) which took effect on March 1, 1980, required that we not fill any of the then existing vacant positions. The absolute requirement that we reduce the existing deficit prior to the end of FY 1981 was an ongoing effort. There were no funds included in that budget to account for those required lump-sum payments.

The total number of employees on board reflected the CETA positions as well as authorized positions.

QUESTION:
2. Is that microfiche System for corporate records completed? If not, what stage is it in and what is estimated time for completion?

ANSWER:
2. The fiscal year 1981 budget made the initial amount of $25 thousand available. That money was used for a new filing system for the more than 150 thousand files on record with this office. Those records had been kept in open cubicles of wood and metal which provided no protection from possible destruction. The system was out of control. Therefore, the initial funds allocated in the 1981 fiscal year budget were to control that system and provide a metal filing system which is fire resistant and which can be closed and locked (also offering some protection against water damage). Since January 1981, we have expended more than $21,000 for the above purpose.

Records remaining in the Agency following transition indicated the full system to cost approximately $80 thousand with it to be accomplished in two stages each costing approximately $40 thousand. Those estimates were either obtained in the year 1978 or 1979.

The basic system, for which we have a 1980 estimate would cost approximately $30,000. In addition we shall need at least 5 readers for public access to the documents and one additional reader/printer for quick copies by use of the public. In FY 1982 if funds remain available in the budget, the system should be installed.

QUESTION:
3. Please explain the system in effect to retrieve data on corporate entities? We have had some complaints that sometimes, individuals seeking data on organizations incorporated in the District are told that there is no such corporation.

ANSWER:
3. All systems currently used by the agency are manual for all of the records--corporate, land, and chattels. The only mechanization is represented by the Diebold Machines holding the index cards to the permanent records.

Most of the difficulties in the identification of entities are either the result of not being given the proper corporate name and/or inexperienced staff. We have had to rely heavily on CETA employees who were actually in training for support during extremely busy periods. The volume of documents filed and the tax revenue received have increased while the number of employees and funding of positions has decreased. Attached also find a copy of a report indicating that the Agency had as many as 84 employees in 1946. We currently have 55 positions authorized which is the lowest level for which we can find records. In addition, none of the agency's operations employ modern techniques and equipment

Attachment 1

FY82 AGENCY FUNDING SUMMARY

2

FUND GENERAL AGENCY RECORDER OF DEEDS

		FY 1979 ACTUAL		FY 1980 BUDGET		FY 1981 PLANNED		FY 1982 REQUESTED		FY 1981 - FY 1982 NET CHANGE (+/-)	
		Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
OPERATING OBLIGATIONAL AUTHORITY	Appropriation	60	957.1	64	1,025.2	55	1,104.6	55	1,143.0	...	+ 38.4
	Federal Funds										
	Private Funds & Other Revenues										
	Intra-District Sales Revenues	13	95.7	13	97.6	12	97.6	13	97.6	...	.....
	Gross Obligation Budget - Operating	73	1,052.8	77	1,122.8	68	1,202.2	68	1,240.6	...	+ 38.4
	TOTAL RESOURCES (Net of District Sales)	60	957.1	64	1,025.2	55	1,104.6	55	1,240.6	...	+ 38.4
CAPITAL BUDGET AUTHORITY	Appropriations										
	Grants & Other										
	Gross Obligation Budget - Capital										
CAPITAL BUDGET FINANCING	Borrowing Requirement (Appropriated)										

PROGRAM DESCRIPTION:

The Office of Recorder of Deeds gives official public notice of all recordings relating to right, title, and interest in real and personal property in the District of Columbia. This office also has the corporate function which is usually the responsibility of the Secretary of State in other states. Partnerships, personal property records, including auto liens and other documents relating to personal debt are filed in this agency including Federal and District tax liens, Real Property Transfer Excise Tax, mechanics liens, judgments, and hospital liens. The office also records service discharge documents for members of the Armed Forces. This office performs all requisite services connected therewith, including maintenance and proper custody of all the records, papers, and property appertaining to the office, as well as for making this information readily available to the public.

PROGRAM SCOPE:

The Recorder of Deeds is responsible for the operation of the agency. She is assisted by a First Deputy, a Second Deputy, a Superintendent of Corporations and an Administrative Officer. The agency is divided into five (5) divisions. Listed below is the name of each division and its functions.

1. Administrative Division. Provides a variety of administrative functions including budget, accounting, personnel and office services namely, purchasing, property control, security, safety communications, supply and property protection.

2. Cashier - Examiner Division. Responsible for the examining of legal instruments pertaining to real and personal properties; also responsible for the collection, accounting, technical, and computational duties in connection with the recording fees therefor.

3. Real Property Division. Examine, index instruments such as deeds, trusts, releases, agreements, court actions affecting the ownership of real property; the maintenance of partnership agreements as amended; and the establishing and maintaining of various numerical index filing systems pertaining to official documents.

4. General Documents Division. Examines, records and indexes liens against motor vehicles titled in the District of Columbia, personal property, foreclosure sales, pursuant to the provisions of Public Law 90-566, mechanics liens, label and brand marks of labor unions, descriptive marks and names impressed on mineral water and other beverage bottles, trademarks or other distinctive marks engraved, blown or otherwise produced on vessels containing beverages, hospital liens, federal and District tax, judgments and praecipes.

5. Corporations Division. Processes, examines and certifies legality and adherence to statutory requirements of the various documents used in connection with the incorporation and continuous monitoring of corporations in the District of Columbia; and the deletion and dissolution of corporations failing to adhere to the statutory requirements of the various acts.

Attachment 2

RECORDER OF DEEDS, D. C.

PERSONAL SERVICES
1940 - 1961

YEAR	NO. OF EMPLOYEES	SALARIES
1940	69	$112,920
1941	74	116,890
1942	74	118,826
1943	74	132,875
1944	71	138,862
1945	71	151,748
1946	84	182,364 *1
1947	80	202,906 *2
1948	61	168,987
1949	61	187,729
1950	61	192,945
1951	61	199,533
1952	61	207,759
1953	62	206,262
1954	62	210,442
1955	65	231,386 *3
1956	65	250,767
1957	65	262,141
1958	67	282,139 *4
1959	66	302,755
1960	66	307,924
1961	66	331,132 *5

REASON FOR INCREASE

*1 Federal Employees Pay Act of 1945
*2 Federal Employees Pay Act of 1946
*3 Federal Employees Salary Increase Act of 1955
*4 Federal Employees Salary Increase Act of 1958
*5 Federal Employees Salary Increase Act of 1960

Attachment 3

Format A

FISCAL YEAR 1978 EXECUTIVE BUDGET
IMPACT STATEMENT ON COUNCIL ACTION

Agency Name: *Recorder of Deeds*

Description of Council Action: *Reduced budget by $33.1*

Council Action		Agency Recommendation		Net Change	
Positions	Amount	Positions	Amount	Positions	Amount
62	*848.1*	*62*	*881.3*	*62*	*+33.1*

IMPACT IF COUNCIL ACTION IS SUSTAINED:

The City Council action projects a reduction of $33,100.00 from the budget of this agency.

This reduction is within our normal lapse range, however, I am requesting that this reduction shall not be made for the following reasons:

1. A request was made, and denied by Congress, for approximately the same amount the Council plans to deduct. The monies needed are for urgent machinery and filing equipment which will guarantee more security for our corporation records and more efficient delivery of microfilm services.

2. These funds will also help solve a space problem in regard to our corporate records, which problem has now become very critical and can conceivably contribute to inaccuracies or loss of records.

In view of the above, I urgently ask that the projected deduction be retained and redirected to equipment.

OFFICE OF THE SURVEYOR

QUESTION:

1. You state a need for $11,000.00 for advertising costs.
    a) Would you please elaborate?
    b) Why does the office need to advertise?

ANSWER:

1. a) In the past, our advertising costs were paid by the Office of the Secretariat, but because of a procedure revision in the F.Y. 1981 budget, these costs are now borne by the Office of the Surveyor.

b) Under Section 7-401 et seq. of the D.C. Code, the Office is obligated to advertise the date and case description for Alley and Street Closings which will be upcoming at a specified public hearing. After the public hearing and after a law is passed to close these alleys or streets by the Council, we need to readvertise the dates that these closings will be finalized.

Under Section 7-122 of the D.C. Code, the Office is obligated to advertise the dates and descriptions of a public hearing to consider proposals to remove highway plan.

QUESTION:

2. Have there been any reports or studies by the District on your office? If so, please relate their findings.

ANSWER:

2. There have been various studies by a management consulting firm; by a Mayor's task force; by a task force formed by the City Administrator and by the personnel group of the Public Works Cluster.

In all cases the findings have been very similar in that the Office needs more people along with a commensurate increase in funds in order to get a rather formidable job done.

The latest task force, a new one formed by the City Administrator, recommends that the Office be placed under a new Department of Regulatory Functions.

QUESTION:

3. How many new constructions are under way in the District that impacts on your Wall Examination Surveys?

ANSWER:

3. Currently there are approximately 40 new constructions under way which will impact on wall examination surveys.

There are some older requests still on file which we are holding until the applicant notifies us that the project is ready for a wall examination survey.

WASHINGTON CONVENTION AND VISITORS ASSOCIATION

QUESTION:
1. Last year, as well as this year, you are requesting $298,000. Would you please outline how the monies were spent in FY/81, and will these same ventures be addressed in FY/82, or are there differences?

ANSWER:
1. The FY/81 monies were spent to increase the sales staff of the Association and those additions were assigned to directly market the Convention Center. In addition, for the first time, we advertised in five trade journals reaching the convention-buying public and special sales tools, such as brochures and audio visual presentations were prepared for delivery to potential buyers. In FY/82, essentially the same types of expenditures will be made -- the additional sales staff will be retained; we will continue the advertising at the same if not a slightly increased level; and special presentations will be made to the buyer via specialized conventions and sales trips to those cities where they are located.

QUESTION:
2. On page 289 (vol. 1) you state that the Convention Center will open in 1982.
   a. Is this a realistic estimate? If not, why not?
   b. When will it open in 1982? Will it open during FY/82 or FY/83?

ANSWER:
2. (a.) In our conversations with the project manager, at this stage, it appears that they are on time with their construction schedule and within budget; therefore, we feel confident that they can deliver the Center sometime in the fall of 1982. (b.) The construction schedule as it now exists calls for the Center to be completed sometime in the late summer of 1982; therefore, the current plan calls for it to be open during FY/82.

QUESTION:
3. You also state on page 289 that a public relations staff and a Service Coordination Department are needed.
   a. How many persons will be needed to staff these endeavors?
   b. If the funding is the same as last year's, how is it possible to bring these persons on board this year as opposed to last year?

ANSWER:
3. (a.) The public relations staff should consist of two people and the Service Coordination Department should consist of an additional two people. (b.) In the current budget, the private business community is funding two-thirds of the overall budget of the Association. If additional people are to be brought on board, we will have to increase the private funding to make the additions possible. We are currently doing a dues evaluation for the private sector.

QUESTION:
4. How much do you expect to receive in business support for FY/82?

a. Will it continue to provide about 85% of the total support?

ANSWER:
4. We anticipate between $675,000 and $700,000 in business support for FY/82. (a.) In FY/81, the business support was approximately 66% and, with additional funding, this may rise to 70%. Of the major cities in the United States, this is the highest percentage of business support and, in real dollars, is exceeded by only one other city in the country.

QUESTION:
5. Can you explain how you carry out your functions without overlapping the activities of other organizations in the city which seem to be doing the same thing?

ANSWER:
5. To the best of our knowledge, we are the only organization actively engaged in convention and visitor promotion. The leadership of the community has been very careful to see that there are not overlapping functions and, where broad-based coordination is required, the private organizations of the city have an excellent record of coordination and cooperation.

MINORITY BUSINESS OPPORTUNITY COMMISSION

1. On page EM-2, you state that the Minority Business Opportunity Commission oversees agency compliance with the Minority Contracting Act of 1976--D.C. Law 1-95. The Commission certifies Minority firms for participation in the sheltered market and provides counselling, training, and assistance in finance and bonding to minority enterprises.

QUESTION:
a. What are the purpose and goals of the Act?

ANSWER:
a. The Council of the District of Columbia passed D.C. Law 1-95 on March 25, 1977, to ensure fair and equitable business opportunities for minority owned firms when contracting with the Government of the District of Columbia. The Council found after many months of study, that a persistent pattern of racial discrimination in our society has prevented minority business enterprises (MBE's) from gaining a fair share of contracts and subcontracts for construction, supplies, and materials in both the public and private sector. Pursuant to these findings, the Minority Business Opportunity Commission was established.

D.C. Law 1-95, "The Minority Contracting Act of 1976" mandated that:

A. Each agency of the District of Columbia allocate its contracts or procurement in construction, goods and services to reach at least a 25 percent goal for MBE participation;
B. The Minority Business Opportunity Commission (MBOC) monitor agency compliance with the law;
C. The MBOC issue guidelines to implement D.C. Law 1-95;
D. Local certified MBE's shall participate in agency contracting and procurement activities designed to meet the 25 percent goal, and that certification of qualified MBE's shall be administered by the MBOC;
E. The MBOC create an environment where financing and bonding impediments for minority owned firms are removed.

QUESTION:
b. Now that the Act has been in existence for several years, please describe the progress being made to achieve the goals or objectives.

ANSWER:
b. Since the enactment of D.C. Law 1-95, the MBOC has (a) increased the percent of contracts awarded to MBE's; (b) increased its certification of MBE's; and (c) increased its investigations in an effort to eliminate "fronts".

The MBOC is working with local banking, insurance, and savings and loan representatives to encourage them to provide working capital, bonding and long term financing to MBE's.

A manual of financial assistance resources available to minority business enterprises has been prepared. The manual list and describes programs offering financial and technical assistance and guaranty and insurance resources.

QUESTION:
c. Assuming in all likelihood that a possible goal is to develop minority business capability how has the District succeeded in developing minority capability? What supply and service areas do you feel exist for minority businesses to develop?

ANSWER:
c. Both the Federal and District Governments fund a number of agencies to which the MBOC refers firms certified by it for individual counseling on business development problems. Some of these agencies are:

- The Office of Business and Economic Development (District Government)
- The Greater Washington Business Center
- The Association of Minority Contractors

The supply commodities present the greatest opportunity for development by minority business enterprises for two reasons:

1. Market opportunity: The District purchases millions of dollars of supplies annually.
2. Lack of minority business enterprise participation: Few minority firms manufacture or distribute supplies utilized by the government.

The services areas have greater participation of minority business enterprises, though there is much concentration in the custodial and maintenance services. The services where there has been limited penetration are collection and billing services, heavy equipment rental, heavy fixed and precision equipment repair, and elevator and escalator repair services.

QUESTION:
d. Please define what you mean by sheltered market? Are standard contracting procedures, i.e. bids, competition, etc. followed?

ANSWER:
d. The term sheltered market means a process whereby contracts or subcontracts are designated, before solicitation of bids, for limited competition from minority business enterprises on either a negotiated or competitive bid process. The minority business enterprises must be certified by the MBOC.

Standard contracting procedures are followed, the sheltered market merely limits the bidding and negotiations to certified minority business enterprises as defined by D.C. Law 1-95, as amended September 1980. The competitive procedures are consistent with the D.C. Code and the procurement regulations.

QUESTION:
e. What proportion of the District's contract dollars go into the sheltered market?

ANSWER:
e. In FY'80 the total contract or procurement dollars let was $208,494,221, of this $68,352,824 or 32% was let to minority business enterprises.

QUESTION:
f. Do you feel you have adequate safeguards to ensure against "fronts"? Please explain.

ANSWER:
f. In an effort to ensure that only bona fide minority business enterprises are certified for participation in the sheltered market program, the MBOC employs a full time investigator. The investigator is responsible for determining the degree of minority ownership and control in a firm applying for certification. A technical review of information relating to the operation, management and financing of the business enterprise as well as on-site inspections are conducted to clarify management and control issues and safeguard against "fronts".

OFFICE OF CONSUMER PROTECTION

QUESTION:
1. In the narrative, you state that you anticipate continued CETA funding for FY/82 of $296,900.00.

a. However, on p. BT-7, you only show CETA monies in the amount of $198,800.00. Please explain.

b. How will this affect the 26 positions?

ANSWER:
1.

a. The Office of Consumer Protection anticipates continued CETA funding at a reduced level of $198,800.00 for FY 82.

b. Due to the elimination of $98,100.00 in CETA II D funding for FY 82, the Office will be able to fund 18 positions at a cost of $198,800.00 and not the current level of funding of $296,900.00 for 26 positions.

QUESTION:
2. In the narrative, p. BT-3, you state that the increase in funding of three new positions would allow the Office to restore the Section of Hearing.

a. Please explain the additional personnel for the Legal Section and the Section of Investigation. Are they different from those outlined for the Section of Hearing? If so, please explain why they were not accounted for.

ANSWER:
2. The two positions of DS-11 Investigator Attorney and DS-12 General Attorney for the Legal Section will be responsible for presenting cases to the Administrative Law Judge as they relate to unlawful trade practices upon D.C. residents. Case may be on behalf of individual or large classes of consumers. Presentation of the case requires skillful litigators. The position of DS-7 Investigator for the Section of Investigation will decrease or eliminate it's dependence on transit staff, therefore to maintain a consistent and efficient case resolution.

Yes, they are different from those outlined for the Section of Hearing. There are not any additional positions being requested for the Section of Hearings. The three new positions in the Legal and Investigation Sections will only enhance the effectiveness of the Section of Hearing.

RENTAL ACCOMMODATIONS OFFICE

QUESTION:
1. On p. 311 you show program measures for f/y 82 that are substantially increased over the f/y 81 estimates. You request 39 positions, which is 6 less than the prior year. The funding requested is not decreased however.

1a. Why is the funding request increased when positions requested have decreased?

ANSWER:
1a. The Fiscal Year 1982 Budget Resource provides full funding for thirty nine (39) positions. The six (6) positions abolished from the FY 81 Budget Base merely eliminates the previously unfunded positions (45-39 = 6). Hence, there is no opportunity to reduce the amount requested that would apply had all FY 1981 authorized positions been fully funded.

QUESTION:
1b. Average employment for the year (f/y 81) is shown to be 28 (p.313) and the estimated average employment for f/y 1982 is 35, an increase of 7, or about 25% over f/y 1981. Your estimated program measures seem to have increased by significantly more than 25% in many cases. Please explain how the increased workload will be handled with the staffing proposed.

ANSWER:
1b. In anticipation of the increased workload and decrease in staff, RAO is continuing the thrust initiated in Fiscal Year 1980 to increase its economy, efficiency and effectiveness in order to optimize the use of the approved resources.

(1) Under The Rental Housing Act of 1980, D.C. Law 3-131, a Conciliation Service was established to provide opportunities for owners and tenants to negotiate tenant complaints in lieu of the more costly and time consuming hearing process. Thus, hearing examinations will be limited to the more complex and controversial issues.

(2) Also RAO has increased pre-audit review of petitions for rent adjustments in order to reduce the amount of time used by hearing examiners on this non-legal activity. This has a multiplying effect on the number of cases subject to legal review and quite cost effective.

(3) RAO has combined its rental unit registration with the Annual Business Licensing procedure of the D.C. Department of Licenses, Inspections and Investigations, utilizing the same form. This process not only eases the burden of registration for owners, but streamlines RAO's operation and enhances the collection of additional revenue for the City by identifying heretofore unregistered landlords.

(4) In FY 1981, RAO initiated a special telephonic taping of standardized messages which responds to the most frequently requested information. This initiative has reduced the number of staff persons required to respond to public requests for information.

QUESTION:
1c. What accounts for the substantial increase in the workload - particularly when the rental unit market is shrinking:

ANSWER:
1c. As rental units shrink, property owners seek to raise rents to keep pace with inflation or seek to convert rental property to a more profitable use, condominium or cooperative. As inflation increases property owners seek rent increases by using various provisions of the Act.

As the Rental Accommodations Office improves its efficiency and effectiveness through simplifying forms, conciliating disputes, educating its clients (both owners and tenants) etc., the Office's image is enhanced and becomes a more attractive vehicle for landlord adjustment in rents (particularly small landlords) and for resolution of landlord/tenant grievances. Therefore, there is an increasing demand for RAO services from both landlord and tenant clients.

DEPARTMENT OF LICENSES, INVESTIGATIONS AND INSPECTIONS

QUESTION:
1. In the narrative, p. CD-8, it is shown that "premises surveyed to ascertain whether violations exists" remain zero.

a)This seems to be a primary function for the Office of Investigations and Enforcement, please explain.

ANSWER:
1. Routine surveys are in fact a major program responsibility of Investigations and Enforcement and will continue to be so. However, no survey of premises had been conducted because the primary workload of the Office of Investigations and Enforcement focused on complaints and collection of delinquent and unpaid business license revenues.

QUESTION:
2. How much does your office generate in revenues to the city?

ANSWER:
2. The Department generates approximately $11 million annually in revenues to the city.

QUESTION:
3. On p. CD-17, you show that Boxing and Wrestling activity has remained the same during the last fiscal years.

a) Please explain?

ANSWER:
3. Increase in activity was not anticipated at the time the FY 82 Budget was prepared. However, for the past months boxing and wrestling activities have been increased and it appears this increase will continue for the next fiscal years.

QUESTION:
4. Have you completed the automation of your licensing and issuance of multi-year licenses? If not, what stage is it in, and when do you contemplate completion?

ANSWER:
4. A task force was established in late 1979 to design, develop and implement a comprehensive automated system for the occupational and professional licensing program and to facilitate an orderly transition from manual to automatic processing. Since the license renewal process was determined to be the area of critical need, this was established as the first priority. Automation commenced in August 1980 and was completed in May 1981, providing a computerized record of approximately 60,000 licensees. Because of the complexity of occupational and professional licensing, progress has been limited strictly to the renewal process. At the time this program was automated, we also initiated the issuance of two-year licenses and that conversion process will be completed by the end of FY 81.

We are now moving towards a biennial license year for certain business licenses, which we expect to implement by the end of FY 81.

QUESTION:
5. Have you completed the program that would require applicants to pay for advertising fees. If so, how much has the city saved?

ANSWER:
5. The program requiring applicants to pay for advertising was implemented on March 5, 1981. The city has realized a savings of $4,600 in advertising fees since the date of enactment.

QUESTION:
6. On p. 326 you show a decrease of 25 positions and $276,600 in intra - District Sales. Please explain what's involved here and how it impacts on your workload, which has, for the most part, remained constant.

ANSWER:
6. The Department will experience a decrease of 25 positions and $276,700 from Title II-D of the Comprehensive Employment Training Act (CETA) program.

CETA employees have always provided significant staff support to the Department especially in the issuance of business licenses and permits. The decrease will definitely create a negative impact on the Department's workload, specifically in the issuance of business licenses and permits and in assisting in the reduction of backlogs in these areas.

QUESTION:
7. In February 1981, WDVM Television ran a 5-part story on certain problems existing at the Georgetown School of Science and Arts. It reported that, students enrolled in the school's surgical technician program in 1979 were not receiving proper training. It reported also that your Department, apparently after receiving complaints, made an investigation but found no problem. According to WDVM, the Commissioner of the Educational Institution Licensure Commission said the Department was looking in the wrong direction.

a) Please comment on the WDVM story and your investigation. What areas did you investigate? Comment also in the statement attributable to the Commissioner of the Educational Institution Licensure Commission.

ANSWER:
7. DLII Investigation of the Georgetown School of Science and Arts

On 2-19-80, an investigation was undertaken to ascertain whether the Georgetown School of Science and Arts was conducting a surgical technician program without adequate equipment and whether the proprietary school was engaged in false advertising as alleged by two students. The Investigator assigned to the case interviewed officials of the school, made an inspection of the operating room and took inventory of the surgical tools and equipment. Photographs of the operating room and equipment were also taken. In addition, the Instructor was interviewed. It was found that she was licensed as a certified surgical technologist. The Investigator concluded that the complainants contention that the school does not have an operating room and surgical equipment appear false. furthermore, the Investigator was unable to contact the second student so that he could determine what the complainant meant by false advertising.

The WDVM Television Station 5-Part Story

Representatives from DLII reviewed the WDVM 5-part story on the Georgetown School of Science and Arts. The series unsurfaced a number of problem areas existing at the proprietary school, as improper use of Federal funds, insufficient equipment available to conduct the surgical technician program, inadequate program preparation and training, student attrition rate, student dissatisfaction, accreditation, certification, monitoring, and poor accounting practices.

The focus of the series centered around two areas, educational quality and use of federal funds.

Statements Attributed to Chairman of the EILC

Legislation is before the City Council which, if passed, will empower the Educational Institution Licensure Commission with the authority and funds to monitor the educational quality of proprietary school programs. Presently, no such legislation exists. It is felt that Commission Chairman was referring to this proposed legislation when he stated on the WDVM series that the Department was looking in the wrong direction during its investigation. The Chairman, Mr. Roulamin Quander, is well aware of the fact that the Department lacks jurisdiction in monitoring the educational quality of proprietary school programs. This was clearly manifested in his testimony before Congressman Dixon's subcommittee hearings. It is probable that Mr. Quander's statement was televised without benefit of being viewed in context with other statements he made.

At this time, according to the WDVM series, it is unclear as to which agency has responsibility for monitoring the educational quality of proprietary school programs. The Department of Education appears to be concerned with a proprietary schools participation in federal loan programs for its students. The WDVM reporter ascertained that the Department of Education approves a proprietary schools participation after it has been accredited by a recognized accreditation association. The Georgetown School received its accrediation from the National Association of Trade and Technical Schools (NATTS).

When NATTS was contacted, WDVM was told that even though a proprietary school meets its standards when it is inspected, this does not imply that the standards are maintained by the school.

Present Investigation of the Georgetown School of Science and Arts

The purpose of District regulations concerning the licensing of proprietary schools is ...."to establish licensing requirements for proprietary schools in the District, and all agents acting on behalf of proprietary schools in soliciting students. These regulations are designed to protect prospective and enrolled students from unscrupulous and financially irresponsible proprietary schools and to assure, to the extent possible, that the promotional information provided to the public by proprietary schools is accurate and honest."

Present regulations define several areas which must be adhered to by proprietary schools. These areas are currently being thoroughly investigated. They are:

1. ascertaining whether application information furnished by the Georgetown School of Science and Arts remains current,
2. the agents acting on behalf of the School,
3. the Schools advertising and publicity practices,
4. the Schools tuition, fees and refund policies, and
5. the furnishing of false, misleading or fradulent information regarding the school.

PUBLIC SERVICE COMMISSION

QUESTION:
1. On p. DH-3, you show an increase for 17 positions, along with the associated costs. You further show that this largely reflects 5 auditors and 3 grant positions which existed under prior years. a) Would you please identify and elaborate on the additional 9 positions?

ANSWER:
1. a) A special assistant for each of the three Commissioners to perform research and assist in opinion writing. Commissioners currently have no special assistants. An administrative assistant to the Executive Director. A financial analyst for the Accounting Office to cope with the increased complexity of rate case filings. A Docket Clerk for the Office of the Secretary to maintain the files and official docket records. Two attorneys and a legal secretary for the Office of the General Counsel. The Office of the General Counsel presently consists of the General Counsel only.

QUESTION:
2. On p. DH-4, you show a 100% increase in travel and conference fees. a) Please explain?

ANSWER:
2. a) The addition of the 5 auditors and the Office of Economics (2 economists) to the appropriated budget means that those conference and travel fees formerly paid for by the private funding or the grant funds must now be charged to the appropriated funds. In addition, the Office of the General Counsel (3 attorneys) is established in FY 1982 and their needs are anticipated in the $15,000 requested. It is imperative that the above personnel attend some of the professional meetings held during the year to keep abreast of current and future technological, legal and regulatory issues and activities.

QUESTION:
3. On p. DH-2, under private funds and other revenues, you show a decrease of 5 positions for FY 82, but the budget amount of $1,500,000 remains constant. a) Are these 5 positions the auditor positions discussed above? b) Please explain?

ANSWER:
3. a) Yes.

b) The auditor positions are included under private funds and other revenues for FY 1981. However, in FY 1982 the auditors are included in the Commission appropriated positions since the utility companies now reimburse the entire utility regulation budget of the Commission. The $1,500,000 represents an estimate of the Commission's costs to be incurred for utility rate cases and other regulatory proceedings conducted during FY 1982. These costs are assessed to the specific utility involved and are reimbursed on a dollar for dollar basis. Note p. DH-11, Allocable Revenues, Utility Assessment 804.

QUESTION:
4. In the narrative on p. DH-3, you mention a near tripling in space costs. However, on p. DH-4, under building rents the figures seem to show an increase which is approximately 7 times as great. b) Please explain?

ANSWER:
4. b) During FY 81, the District of Columbia General Services pays 71 percent of the Commission's space costs. The Commission pays 29 percent or $29,000 during FY 1981. The Commission is adding staff in FY 1981 and must have more space. In FY 1982, there is a need for still more space for the 9 new positions. Therefore, the square footage must increase and correspondingly the cost. The Commission, however, beginning in FY 1982 will be responsible for 100 percent of its space costs. Therefore, the Commission must assume the entire $100,000 even if it stays at 1625 I Street, NW. Moving to 451 Indiana Avenue, NW. increases the costs intially by nearly 3 times, but the lease arrangement insures that the rent will be constant rather than escalating over the years and therefore places an inflation proof ceiling on our space costs.

QUESTION:
5. On p. DH-11, you show no federal funds for the Public Utilities Regulatory Policies Act. a) How will this affect your ability to comply with the Act.

ANSWER:
5. a) The Department of Energy has announced that no funds will be available for the Public Utility Regulatory Policies Act (PURPA) in FY 1982. The Commission is attempting to make maximum use of the grant that it has for this fiscal year to move as far ahead as possible toward completing research necessary to make the necessary decisions regarding compliance. The effect will depend upon how much can be accomplished by October 1, 1981. As presently scheduled, we will have made significant progress toward acquiring data and a computer analysis ability. The lack of funding for FY 1982 leaves a void, however, in how to fund additional studies that may be needed. Note that the Commission budget does not contain any funds for research. This is likely to result in a stretching out of the time within which compliance can be achieved. Many of the PURPA issues are breaking new ground and can be controversial thus leading to litigation. Therefore, it is essential that any steps taken to comply with PURPA have a solid foundation in research and data. The lack of funds in this area could be critically detrimental in such areas as cost of service and load management. Federal Funds of $100,000 for PURPA in FY 82 would be most helpful to this Commission.

QUESTION:
6. Where do you show the estimated revenues or reimbursements under D. C. Law 3-88 mentioned on p. DH-3? It seems that the amounts should be in the neighborhood of $2.6 million. Do the utility companies have anything to say about the composition of your organization or your level of operating costs?

ANSWER:
6. The reimbursements under D. C. Law 3-88 mentioned on p. DH-3 appear on p. DH-11 under Appropriated Revenues, Utility Assessment 1613 in the amount of $1,485,200. The remainder of appropriated revenues, $177,800 is funded by the D. C. Government. Security Licensing Revenues (DH-11) will partially offset this in FY 1982 and should totally cover this expense in FY 1983. Through the city's budget process, the utility companies have the opportunity to express their approval or disapproval of the Commission budget and organization. The utility companies have, for example, been supportive of funding for an Economics Office and an Office of the General Counsel within the Commission.

COMMISSION ON LICENSURE TO PRACTICE THE HEALING ART

QUESTION:
a. In view of the decreased workload of this office, should there be an an adjustment in the number of positions?

ANSWER:
a. The Healing Arts Practice Act of 1976 (D.C. Law 1-106) provides that the Commission on Licensure to Practice the Healing Art (Commission) is to be an independent agency and that the Department of Licenses, Investigations and Inspections (DLII) shall provide staff and administrative assistance to the Commission until such time as the Commission's staff is sufficient for all the needs of said Commission. It wasn't until the Fiscal Year 1980 Appropriation for the District of Columbia that the Commission was given its own appropriation with five authorized positions.

DLII has been providing the necessary staff and administrative assistance since D.C. Law 1-106 went into effect. It is hoped that the Commission will be in a position to assume all its responsibilities as soon as it has all five of its positions filled.

Therefore, in view of the above explanation, there should be no adjustment in the number of positions in view of the decreased workload. In fact, the Commission is going to have to find additional ways to reduce the workload in order to carry out the mandate of D.C. Law 1-106 with a staff of five.

QUESTION:
b. We note that this proposed budget has no provision for increases due to inflation. How will such increases be met?

ANSWER:
b. The Commission on Licensure to Practice the Healing Art and the Department of Licenses, Investigations and Inspections have been so closely associated in all areas that the Commission has no firm base on which to predict what its expenses will be. However, it is hoped that a savings may be achieved through the development and installation of new processing procedures and the savings achieved through this method should offset inflation costs.

QUESTION:
c. As indicated in the budget justification under your program measures no renewals will issued in 1982. What consideration has been given to having renewals staggered each year so as to even-out your workload?

ANSWER:
c. The Department of Licenses, Investigations and Inspections submitted the original proposal to adjust the renewal periods for all the occupational and professional categories from an annual renewal to a biennial renewal while the Commission on Licensure to Practice the Healing Art was still a major part of the Department. The original proposal did spread the workload and revenue evenly over the two year period.

However, now that the Commission is no longer a part of the Department, it is anticipated that the Commission will divide the alphabet so that A - L will renew in the even numbered years, and M - Z will renew during the odd numbered years. This will spread the workload and revenue generated evenly over both years.

SUBCOMMITTEE RECESS

Senator D'AMATO. The hearing stands in recess.

[Whereupon, at 4:35 p.m., Wednesday, May 13, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1982

TUESDAY, JUNE 9, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2:20 p.m., in room 1114, Everett McKinley Dirksen Senate Office Building, Hon. Alfonse M. D'Amato (chairman) presiding.

Present: Senator D'Amato.

DISTRICT OF COLUMBIA

DEPARTMENT OF HUMAN SERVICES

STATEMENT OF JAMES A. BUFORD, DIRECTOR

ACCOMPANIED BY:
- POLLY SHACKLETON, CHAIRPERSON, COMMITTEE ON HUMAN SERVICES
- AUDREY ROWE, COMMISSIONER OF SOCIAL SERVICES
- MARTIN LEVY, ACTING COMMISSIONER OF PUBLIC HEALTH
- LAURENCE STEWART, BUDGET OFFICER
- ROBERT BOYLE, CONTROLLER

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. The subcommittee will come to order.

The first witness this afternoon is the Honorable Polly Shackleton, a member of the Council of the District of Columbia and Chairperson of its Committee on Human Services. Accompanying Mrs. Shackleton is Mr. James Buford, Director of the Department of Human Services.

Councilwoman Shackleton and Mr. Buford, it is nice to have you here with us this afternoon. We have certain questions for you, but I am sure you have some opening remarks. If you care to say them, I would be delighted to hear them.

STATEMENT OF POLLY SHACKLETON, CITY COUNCIL MEMBER

Ms. SHACKLETON. Senator, it is very good to be here.

I appreciate the opportunity to appear this afternoon in support of the Department of Human Services fiscal 1982 budget request. As Chairperson of the Council's Committee on Human Services, I believe that the budget before you is a tight one—one in which the Council made few changes because we had few options without further jeopardizing the delivery of essential services to District residents.

I believe that the Department can point with pride to a number of major management achievements in the past year. The budget structure of this agency has been developed to afford program clarity and accountability for managers for the first time. The Department's great success in lowering the AFDC error rate is a tribute to staff diligence in implementing management initiatives. The medicaid error rate is now well below the national average, and we understand that dramatic improvements are forthcoming in the financial management of the medicaid program.

I would also like to take this opportunity to share with you my grave concerns about the effect of the administration's budget cuts on the citizens of the District. Although the Department has analyzed the effect of proposed cuts on available dollars, I do not believe that we can anticipate all the ramifications that cuts in food stamps, subsidized housing, preventive disease, and emergency assistance programs, to name only a few, will have on families and individuals in the District. The cuts in the CETA program, for example, mean that many voluntary agencies will no longer be able to deliver fundamental services at a time when the Department will continue to be in a position of streamlining programs rather than meeting new community needs. Cuts in social services will have tragic and costly effects. For example, denying a family day care services may force the parent to lose a job and rely on public assistance. Cuts in homemaker services will mean that chronically ill and elderly citizens who could be supported at home will be institutionalized.

In the context of the impending reduction of Federal programs and the Department's continued efforts to deliver services efficiently, I urge you to support the full budget request.

Senator D'AMATO. Thank you very, very much.

Mr. Buford, do you have anything you would like to say?

STATEMENT OF DIRECTOR JAMES BUFORD

Mr. BUFORD. Yes, Mr. Chairman.

The decade of the eighties began on a very sombre note for human service agencies across the country in general and in the District of Columbia in particular. Inflation and increasing unemployment were putting extremely heavy pressure on both services and benefit programs. Many cities, including the District, lost a significant portion of their population to the suburbs, thus eroding city income and sales tax bases. At the same time, the very poor families, and the near-poor elderly, stayed in the cities and sought more and more help from governmental agencies.

Faced with increased need on the one hand and diminishing resources on the other, we moved to manage our resources in the most efficient manner possible in order to at least maintain basic services. Fiscal years 1980 and 1981 have been a period of continuous adjustments, motivated by planned management actions and the necessity to avoid deficit spending.

For this Department, these changes have included: A reduction in the number of District-funded positions from 6,086 to 4,710, achieved through reductions in force, early retirements, and freezing of vacancies; consolidation of programs into fewer service delivery sites, thereby reducing administrative and other overhead expenses; and modernization of information and payment systems, to provide better data to program managers, while simultaneously improving service to clients and vendors.

In attempting to reduce our costs, we have explored various options. We can narrow eligibility and thereby reduce the number of people now receiving services; reduce the level of services that our clients are now receiving; lower benefit and reimbursement levels; or we can terminate programs.

In view of the very real need we are seeing, we have chosen not to narrow eligibility for assistance programs. We have continued the optional medically needy portion of the medicaid program. We do not wish to lower the income eligibility standards for title XX services, and we plan to continue to offer emergency financial assistance to single individuals and childless couples as well as families.

Our fiscal 1982 budget, if approved, will permit us to continue to follow this policy of careful management in order to preserve basic services.

Some have suggested we eliminate all optional services under the medicaid program. Let me explain why we would be reluctant to do so. Federal law requires we pay for inpatient hospital care, outpatient hospital care, skilled nursing or home health care, laboratory work and X-rays, and physicians' services. In fiscal 1980, these mandatory services accounted for $118.8 million of the $168.5 million spent under medicaid. Prescribed drugs, which is an optional service, accounted for another $5.7 million. We don't see this as an optional service because prescription drugs are an integral part of almost every medical treatment program.

The majority of the funds we commit to optional services is spent for intermediate level nursing home care. As you know, most private insurance plans do not cover nursing home care and medicare pays for only 60 days, and only after hospitalization. Medicaid is the only payment resource many elderly or disabled persons have if they need this level of care. Without it, they often end up in acute care hospitals.

Therefore, the critical first step in our medicaid cost containment program has been to expand our intermediate level nursing home capacity. Each hospital patient moved out of a hospital bed into a nursing home represents a savings of approximately $250 per day to the program and also means more appropriate care for the patient. Since February, 110 patients have been moved out of private hospitals into nursing homes, for a possible annual savings of approximately $10 million.

SIGNIFICANT CHANGES TO FISCAL YEAR 1981 BUDGET

The details of our request are outlined in the budget documents. I will highlight only the more significant changes from fiscal 1981.

A $1.9 million increase in funds for Forest Haven will strengthen programs that prepare residents to move into the community and acquire marketable skills.

An increase of $3.8 million in funds available to the Family Services Administration for residential care will permit us to meet our obligation under the Bobby D. Decree to move approximately 300 handicapped foster children into minimally restrictive settings that will encourage their fullest development.

There will be additional staff reductions in the areas of mental health services, day care program administration, planning, and certain central support functions.

During the past few weeks we have been working with program managers to make some preliminary assessments of the impact of the President's program for economic recovery on the Department. Present estimates suggest the total loss in Federal revenues could be as high as $35 million—$20 million of this amount is a loss in medicaid funds arising from the Senate Finance Committee's proposal to reduce the minimum Federal medicaid reimbursement from 50 to 40 percent. Of the remaining $15 million, $12 million represents lost funds which now support social service programs and $3 million is attributable to proposed changes in health grants.

There will be great pressure on the city government to replace the lost Federal revenues with city funds. Arguments in favor of such a course are compelling. Homemaker programs, for example, can be moneysavers because providing this service can prevent institutionalization. Still, in view of the city's financial situation, I am not at all optimistic that we will be able to substitute city dollars for any lost Federal dollars.

Mr. Chairman, the fiscal 1982 budget for the Department of Human Services is a stringent budget. It is also a compassionate budget. Good management will be required to keep within the limits. There is no cushion to protect us if there is a serious economic downturn, or a court mandate to provide more services. It is, however, a budget which will allow us to offer some hope of improvement in the lives of the citizens we serve.

This concludes my statement, Mr. Chairman. My colleagues and I will be pleased to answer any questions you may have.

Senator D'AMATO. Thank you very much.

TOTAL CASELOAD OF PUBLIC ASSISTANCE PROGRAMS

Relating to the various categories of public assistance, what total do you have in terms of number of recipients for these programs? I am talking about the AFDC, SSI, medicaid, food stamps, and the District-funded general public assistance. Is that figure higher or lower than last year's figure? I am interested in the total number.

Mr. BUFORD. For the general public assistance program, the number for 1981 is lower than 1980. We have a total of 6,566 persons as of April 1981 as compared with 7,859 for April 1980. For the AFDC program, for April 1981, a caseload of 80,284 persons as compared with April 1980 of 85,300. For the SSI supplementation program, as of April 1981, a caseload of 14,287—since April 1980 figures are not available to us—compared with October 1980, which is not a true comparison, of 14,174. For food stamps, March 1981, was 92,338 as compared with March 1980 of 96,187.

PROJECTED TRENDS IN NUMBER OF CLIENTS

Senator D'Amato. That is encouraging in that you show a reduction in every single category, even though in the one area it couldn't be a true comparison, except it is discernible that the trend is down. Have you made any projections in terms of 1982 dealing with the trends? Is that something you have been able to do in this budget, and to what extent? Do you see that as a continuing trend or is it something you can't account for?

Mr. Buford. For the SSI program, we do expect an increase, and the reason for the increase is because of the deinstitutionalization which has now taken place at Forest Haven and other hospitals. Because of a larger number of residents returning to the community, we would expect that our SSI population will increase.

We are not sure about the GPA, AFDC, and food stamp program at the moment. We would project a slight increase based upon the projected impact that we think the Reagan budget reductions will have.

Senator D'Amato. Wouldn't you have a corresponding decrease in GPA as a result of the movement of people from the facilities; for example, on your decentralization program?

Mr. Buford. On GPA?

Senator D'Amato. On GPA, yes.

Mr. Buford. No, sir.

Senator D'Amato. You don't anticipate that, like on Forest Haven—is your facility there for the mentally retarded?

Mr. Buford. Correct.

Senator D'Amato. You are going to have a program. What you are saying to me is you figure the SSI is going to increase as a result of the decentralization and the moving into the community of those people who are presently served by Forest Haven, as one example. Is that correct?

Mr. Buford. That is correct.

Senator D'Amato. Wouldn't there be a reduction in terms, then, and isn't that funded under GPA?

Mr. Buford. No; the GPA program does not serve that population of residents.

COST REDUCTIONS RESULTING FROM DECENTRALIZATION

Senator D'Amato. What about the cost reductions? Have you factored in the cost reduction at Forest Haven as a result of the decentralization and the movement out of Forest Haven and into the community?

Mr. Buford. At this point we do not anticipate in 1982 a reduction in the operating costs of Forest Haven by virtue of the deinstitutionalization, primarily because the cost of deinstitutionalization until now was not funded. We have picked up the cost of deinstitutionalization by using institutional staff. In the 1981 budget we budgeted for contractual out-placement, which permits us to bring back staff to the institution to perform the services that are direly needed there. We have been deinstitutionalizing without an appropriate budget for that function.

Senator D'AMATO. Are you saying you are going to continue that policy, that you have not really allocated the deinstitutionalization in terms of the budget process?

Mr. BUFORD. No; the budget for deinstitutionalization is included for 1981 and for 1982. The question was whether or not there would be a decrease in our operating costs of the institution. I am saying that we will maintain our operating costs at the institution for 1981 and 1982.

Senator D'AMATO. Are you really saying that you did that out of necessity because you took the funds that were saved as a result of the deinstitutionalization at Forest Haven and used it in that program? Is that what you are saying?

Mr. BUFORD. We have been under court order to deinstitutionalize those people ready for replacement in the community. While we have been under that court order, we have not, until the 1981 fiscal year, had funds appropriated for the purpose of placing patients in the community.

Senator D'AMATO. I see. So it was as a result of the court order that you just had to undertake this action without having the appropriate budget to deal with it.

Mr. BUFORD. Correct.

AFDC ERROR RATE

Senator D'AMATO. Last year the committee was told that the welfare error rate was 8 percent. Is that true?

The reason I say is that true is not to say you said something last year that was wrong, but when you get the opportunity to check through this, then you can confirm whether or not that estimate was accurate. Is that an accurate reflection of what it was last year? Can you tell me what you believe that error rate might be today?

Mr. BUFORD. I believe last year the 8-percent error rate was based upon a 75-percent sample of the population. We are prepared to give you the latest error rate for the sample period ending September 1980, which is 11.4 percent.

The Michel amendment requires we reduce our error rate by September 1982 to 10.1 percent. We are well in range of reaching that particular goal based upon the last error rate sample period.

Senator D'AMATO. Do you believe that in this area the administration is making a credible effort at reducing those errors that take place as a result of ineligibles, et cetera?

Mr. BUFORD. Mr. Chairman, one of the priorities——

Senator D'AMATO. That is a rather leading question. I don't tend to try to do that to people of responsibility vis-a-vis their position in the administration because I understand the nuances of local government. But I would like a very direct answer on that now, in terms of whether or not you believe a sufficient effort is being undertaken in this area to reduce that error rate.

Mr. BUFORD. Mr. Chairman, we would be pleased to share with you the plan that we have developed which maximizes our effort to reduce the error rate in the AFDC program.

The error rate reduction is one of the major initiatives that we have undertaken within the Department. We have completed the planning for the implementation of the special initiative on reducing the error rate in our AFDC program. We are currently giving it a priority, and we will continue to give it a priority, because we feel in fact that this is one of the criteria on which we will be measured as to how well we manage the Department.

NUMBER OF STAFF OF OFFICE OF ELIGIBILITY REVIEW

Senator D'AMATO. Last year there were a number of concerns raised about the sufficiency of the staff of the Office of Eligibility Review, and there was a proposal made that the number of positions be reduced from 45 to 20. That was denied. How many positions do you currently have on board?

Mr. BUFORD. I will ask Mrs. Rowe to respond to that question, Mr. Chairman.

Ms. ROWE. Mr. Chairman, we currently have 34 people on board and we have 8 recruit actions within personnel. Requests to replace three individuals who left in the last 60 days are being prepared to go to personnel for recruiting as well.

Senator D'AMATO. Do you believe that 45 is a sufficient number?

Ms. ROWE. Yes, we do, Mr. Chairman. The functions of the Office of Eligibility Review in light of the management initiatives which have been implemented, which Mr. Buford alluded to, have been expanded to include GPA and food stamp eligibility status. We are seeing an appreciable impact in those other two areas as well. So we anticipate 45 being sufficient staff.

CASELOAD OF OER INVESTIGATOR

Senator D'AMATO. Let me ask you something. Do you think the kind of work capacity coming out of the eligibility review section in terms of the investigations and investigators and the number of cases per month is working up to its optimum?

Let me read a report to you:

> * * * 29 investigators representing an average of 15 cases per month per worker. The DS-9 eligibility workers assigned to review AFDC cases under a centralized, dedicated mode of operation continue to work under a minimum standard of 30 completed reviews per month.

Here we are talking about an area of 15, and yet there is an indication that there should be at least 30. I am asking you what is the productivity per investigator per month in terms of cases? Do you have that figure?

Ms. ROWE. Yes, I do. When we looked at the month of May, the average number of reviews by OER staff had increased to 20, and they have established a goal to move that staff to even increase it further over the next 2 months.

Senator D'AMATO. What I am saying is that on the one hand the city indicates, pursuant to its DS-9 requirement, eligibility for workers assigned to review these cases, that they feel a minimum standard of 30 reviews per month should be the case. In the reports we have in terms of up to March, it was indicated we had 15. Now you tell me, as a result—in terms of May—that you are up to 20. Yet, that is not even meeting two-thirds of what we consider to be the minimum goal of 30 cases per month.

Now what, if anything, and any effort, will be taken in this particular area in light of the eligibility errors that we find? I think you indicated that 11.4 percent was the error rate. Isn't it essential that this particular activity, if we are going to get that rate down, be one where there is some concentration?

Ms. ROWE. Mr. Chairman, I was trying to get a clarification because I don't know to which report you are referring, whether we are looking at eligibility workers or in terms of people who do recertification on a monthly basis, which have certification standards, or OER workers who do the reviews.

Senator D'AMATO [reading]. "OER staff completed actions on 436 cases. This was accomplished by 29 investigators representing an average of 15 cases per worker. The DS-9 eligibility workers assigned to review AFDC cases under a centralized, dedicated mode of operation continue to work under a minimum standard of 30 completed reviews per month. All staff in the investigative branches are DS-9's or above."

Now let me submit this to you.

Ms. ROWE. Would you, please?

PLAN TO INCREASE CASELOAD OF AFDC

Senator D'AMATO. What I really want to get down to is what efforts are being undertaken to get substantially more in the way of reviews, because it would appear to me that this eligibility situation is something where significant dollar savings can and should be made.

Ms. ROWE. Mr. Chairman, again in meeting with the chief of that unit and the administrator in developing the error profile initiative—and the director has alluded to that—one of the issues being addressed in that initiative is ways in which to increase the productivity level as well as to expand the use of unemployment compensation data and other data to allow the workers to not only increase the use of an error probe profile and to increase their productivity but to increase the dollar productivity as well. So we are mindful and we are taking steps on that.

MONTHLY REVIEW REPORTS

Senator D'AMATO. Let me suggest, then, that this subcommittee will be quite interested in a monthly review and report vis-a-vis the progress in terms of an intensive indication of the efforts so that the Office of Eligibility Review will give to this committee monthly reports in terms of its efforts as far as full staffing up to 45, No. 1. No. 2, those methods being innovated and utilized to bring about better productivity.

It is obvious, going back to last year, that there was a question in terms of the eligibility rate. There were those who said it was higher than 8 percent. There were those who said it was 8 percent.

I appreciate your candor. I certainly recognize that these things are easier said than done. But it would appear to me that not nearly enough attention is being paid to this particular area, that there are substantial dollar savings that can be made.

There is no reason why there should be 15 reviews when in fact the minimum standard is 30. There is no reason why there should be 20, which is admittedly an increase in productivity, again when the minimum standard is set at 30.

Now if that minimum standard is inappropriate, if it is something that is unrealistic, then I think we do ourselves an injustice to those who are working in handling these cases by setting an arbitrary standard of 30. But that hasn't been something which anyone has said today. So I am going to ask you to please take cognizance of what the Chair is indicating to you. I am looking forward to a report next month. I intend to advise my colleagues and whoever else might be interested on what I see as a glaring area where there should be some attention paid in this situation.

In regard to the deinstitutionalization, I can only wish you success in those efforts. It is difficult, to say the least. Hopefully your past experience has better prepared you to deal with that ongoing problem and that ongoing situation.

MAYOR'S MEETING WITH SECRETARY SCHWEIKER

I understand, and I read with interest, the Mayor met with Secretary Schweiker and subsequently he said a task force would be structured to help the District structure its human services program in light of the anticipated budget cuts.

I would be interested, if and when you have something to report to the subcommittee, if you might not within the next 60 days give us an initial report as to what, if anything, is taking place.

SUBMITTED QUESTIONS FOR THE RECORD

I want to thank you very much for coming in today. Hopefully we will maintain that ongoing dialog that I think is important in this area. I thank you for your courtesy. I have some questions which I would like for you to answer for the record.

Mr. BUFORD. Thank you very much, Mr. Chairman. I will be happy to provide the answers for the record.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

DEPARTMENT OF HUMAN SERVICES

QUESTION:
1. The budget justification material notes that $188 million is expected in Federal grants to fund 2,000. Have recent Federal budget actions changed that estimate? If so, how?

ANSWER:
1. The Department now estimates that Federal revenues may decline in fiscal 1982 by approximately $35 million, to $153. The latest single decrease would occur if the Senate Finance Committee recommendation to reduce the minimum Medicaid reimbursement is enacted. This would cost the Department nearly $20 million in Medicaid revenues. Reductions in health grant funds would total approximately $3 million; the proposed changes in vocational rehabilitation, Title XX, and public assistance funding would total the remaining $12 million.

Most of these revenues are used to make public assistance payments or to pay private providers to give health, day care, housekeeping, or rehabilitation services to eligible clients. Therefore the loss of these revenues would not result in a significant decline in the number of DHS positions funded by Federal funds in fiscal 1982.

The Department also had fifty-nine employees funded under the Comprehensive Employment and Training Assistance Act. Funds for these employees ended this month. Although thirty-five of these employees were placed in vacant, funded positions in the Department, the remaining twenty-four were terminated. Their absence will create serious staffing shortages in several administrations.

QUESTION:
2. Describe how the Title IV-D special initiative will increase collections from parents. What measures can we use to judge the effectiveness of this program in the future?

ANSWER:
2. The Special Initiatives have been designed in two broad areas: by improving the enforcement of support orders, and by improving the collection of arrears now outstanding. These are summarized here in more detail.

a. Provision and allocation of new staff according to formulas developed by Federal consultants will maximize the efficiency of the program.

b. The use of what appears to be a promising method of collecting arrears through sophisticated telephone techniques should reduce outstanding arrears. The results of the test program underway will indicate to the Bureau how to best tailor such a procedure to the District's special conditions for permanent use in the future.

c. Utilization of a D.C. tax return intercept program will also permit recovery of substantial arrears, as it will involve monies directly under the control of the District.

d. The proposed legislation, when enacted, will provide for faster and easier establishment of paternity obligations, eliminate unnecessary handling of paperwork in the assignment of rights,and make available a more efficient enforcement tool through the use of special wage assignments.

e. The Enforcement Initiative will permit the Bureau to accurately measure the rate of enforcement of orders and to test and prioritize available enforcement tools according to their effectiveness.

f. Revision of the cooperative agreement with the Corporation Counsel - through which all court work is done - is also aimed at faster and better processing of cases.

As regards the best manner of judging the effectiveness of the program, the following measurements are suggested:

- total child support collected versus total obligations due
- total number of cases with collections versus total cases with court orders;
- total collected versus expenditures;
- total new court orders versus cases submitted to court for orders; and
- successful enforcement on arreage cases.

The Bureau anticipates the procedures above will be facilitated by the on-line computer system that is now being put into operation. The system will automate case management, billing and dunning, computation of collections and distribution.

QUESTION:
3. Describe the changes in the program measures and clientele table on page JA-5 between FY 1981 and FY 1982.

ANSWER:
3. The reasons for the changes are:

a. No. of children in day care

In 1979, the Department served approximately 4,867 children in day care. When Legislation was passed by the District of Columbia City Council to establish equitable rates for day care, particularly for the day care center based programs, the Department was forced to reduce the number of children served by 7.5% in order to identify funds to comply with established rates as mandated by D.C. Law 3-16, The Day Care Policy Act of 1979.

It was possible to restore slots in the 1981 budget due to the level of funding. The dollar amount requested for 1982 is needed in order to restore the majority of the 7.5% reduction in spaces that took place in 1979.

b. Patients discharged by St. Elizabeths Hospital

Contrary to earlier expectation, St. Elizabeths projects it will be able to continue at the current (FY 81) rate of 900 at least through 1982. The number of patients discharged from the hospital is not expected to slow down until 1983.

c. D.C. Village patient days of care

No change in patient days of care is anticipated for D.C. Village in FY 1982.

d. No. persons receiving Medical Services

The reduced number of persons anticipated to receive medical services in FY 1982 is based on a decline in the Medicaid eligible population. This change correlates with the decline in AFDC roles and results from more diligent certification and recertification efforts. The range of medical services will be maintained for the eligible population.

e. Admissions in Youth Services Alternative Program

The changes in the program measures and clientele table on page JA-5 between FY 1981 and FY 1982 are based on the proposed implementation of a level of Community Supervision program concept pending D.C. Superior Court approval.

This program concept would eliminate case back-loggings, expand program capacity, and implement new policies and procedures to work more effectively and efficiently at various levels of required supervision for each of our assigned clients.

QUESTION:

4. Your total estimated energy expenditures for FY 1982 is nearly 17% of your total budget. What steps do you plan to take to reduce that cost? Also what is the comparable percentage for FY 1980 and 1981?

ANSWER:

4. The Department has taken the following measures to reduce energy consumption thereby reducing the cost:

a. Extensive work in our heating plants at two institutions (Children's Center and DC Village) was completed this fiscal year to eliminate waste in the steam lines and heat distribution systems.

b. To reduce fuel consumption in the future we have submitted the following proposals for inclusion in our capital improvement request:

(1) To convert the boilers at Oak Hill and Cedar Knoll from oil to natural gas which is more cost effective.

(2) To modify the boiler at Forest Haven so that it will consume the less expensive Number 6 fuel oil rather than the Number 2 fuel oil which it now requires.

c. Programs have been instructed to reduce lighting in areas that are over lighted, particularly in storage closets and corridors, and turn off lights when they are not used. During the heating season thermostats are lowered to 68 degrees and lower in some areas.

d. Since FY 80 the Departmental motor fleet has been reduced by 15 vehicles which were no longer fuel efficient.

e. During the past fiscal year we closed the Glenn Dale Hospital complex, the Upshur Street Clinic and the H Street Clinic which will reflect a savings in energy consumption.

Comparable Percentages of Energy Expenditures

	Total Budget	Energy Expenditures	Percentage
FY 80	$268,611,500	5,469,649	2.0%
FY 81	273,667,300	6,451,500	2.35%
*FY 82	281,737,600	6,182,800	2.2%

*Energy accounts for 2.2% of the total DHS budget for FY 82 rather than 17% reflected in the budget question.

QUESTION:
5. Give us some idea of the breakdown of the 5% increase in income maintenance benefits. Which programs, by what dollar amounts, and are these increases in person benefit rates or due to an increased number of beneficiaries?

ANSWER:
5. The increase in income maintenance benefits is attributable to an increase in per person benefit rate as well as an increased number of beneficiaries. The breakdown of the 5% increase is as follows:

AFDC - An increase of $2,329,500 for an increased benefit level to existing cases and $73,500 for 900 new AFDC cases. It should be understood that whenever there is a payment level increase, the number of persons eligible for AFDC benefits also increases.

GPA - An increase of $597,000 is for the increased benefit level to existing cases. No new GPA cases will come on the rolls as a result of the increase in the benefit level because GPA is for unemployables who have no other resources.

QUESTION:
6. It is stated that the Improved Pregnancy Outcome Program will acquire permanent staffing. What type of staffing, how has it been staffed until now? What have been the accomplishments of this program, how will this improve in FY 1982?

ANSWER:
6. The Improved Pregnancy Outcome Program in reality refers to the Infant Mortality Project, which is acquiring permanent staffing for 18 temporary positions.

These include eight community health nurses, six nutritionists, three social workers, and one illustrator. These positions are needed to fulfill stated goals for reducing the city's high infant mortality rate.

The nutritionists substantially increase our ability to see a greater number of pregnant women and infants more often, to spend more time with high risk patients, to provide more nutrition education classes, and to provide nutrition services to Medicaid patients under the care of private physicians.

The community health nurses visit the homes of the high risk mothers and infants to identify potential problems and to get them into prenatal care.

The additional social workers increase our capability to screen greater numbers of patients for socio-economic and psychological problems, and also help the patients to deal with these problems.

The illustrator is important in the design and preparation of materials used in the public awareness campaign to persuade potential mothers of the measures that are necessary to have a healthy outcome of pregnancy.

QUESTION:

7. Are other consolidation savings possible, such as those realized by merging the community health centers in area A and B?

ANSWER:

7. In addition to the merging of community mental health centers in Areas A and B, several other mergers have been brought about within recent months. They include: (a) the combining of the two chest clinics by Preventive Health Services Administration, (b) relocation of Glenn Dale Hospital's chronic care patients in a variety of treatment settings by Long Term Care Administration, (c) consolidation of the administrative offices of Community Health Centers North and South, by Ambulatory Health Care Administration.

We have not yet identified any additional consolidation savings that can be implemented in FY 82. Meanwhile we continue to be alert for additional opportunities.

QUESTION:

8. On page JA-7 it appears that the Office of the Director will be increased by 390 positions, from 618 to 1,008 as a result of other authority what do these people do?

ANSWER:

8. The Office of the Director's 618 appropriation funded positions were supplemented by 390 nonappropriated positions. Some of these positions carry out specific grant funded projects and functions. The remaining nonappropriated positions provide all $188 million of Federal fund programs in the Department with professional administrative support such as financial control, procurement, program monitoring, contract negotiating, preparation of statistical and financial reports required by the grantors, etc.

QUESTION:

9. Please provide a table similar to the table on pages JA-7 and 8 with the other authority column included for FY 1981 as well?

ANSWER:

9. The Department of Human Services was organized differently when its FY 1981 Budget Justifications were presented to the Congress. The data, therefore, can be extracted only on the old Department of Human Resources basis and is shown on the attached table.

DEPARTMENT OF HUMAN SERVICES
FY 1981 BUDGET REQUEST
AGENCY AND CONTROL CENTER SUMMARY

	Executive Direction and Support	Payments Assistance	Social Rehabilitation	Mental Health	Community Health and Hospitals	Substance Abuse	Departmental Total
I. District Funds							
A. FY 1980 Planned							
Positions	1,098	557	1,271	1,508	1,447	205	6,086
Amount	23,830.4	111,424.7	51,556.8	55,586.7	33,386.3	4,246.1	280,031.0
B. FY 1981 Request							
Positions	939	557	1,261	1,514	1,458	205	5,934
Amount	20,876.7	127,451.1	52,356.8	57,562.6	31,706.3	4,246.1	294,199.6
C. Net Change							
Positions	- 159	...	- 10	+ 6	+ 11	...	- 152
Amount	- 2,953.7	+ 16,026.4	+ 800.0	+1,975.9	-1,680.0	.....	+14,168.6
II. Federal Funds							
Positions	763	235	239	180	721	37	2,175
Amount	11,259.5	85,763.6	5,095.4	2,800.8	10,193.0	594.3	115,707.1
III. Private and Other Funds and Intra-District Sales							
Positions	...	...	...	...	21	37	58
Amount	6,255.1	58,362.1	14,811.9	17.5	492.2	421.7	80,360.5
IV. FY 1981 Gross Obligation Budget							
Positions	1,702	792	1,500	1,694	2,200	279	8,167
Amount	38,391.3	271,576.8	72,264.1	60,380.9	42,391.5	5,262.6	490,267.2

QUESTION:
10. The Office of Health Care Financing is being created as a separate entity in FY 82. Is this function being transferred from another office or is this a brand new office? Why is this being done at this time? Are the 47 positions being transferred from somewhere else or are they new hires?

ANSWER:
10. The Office of Health Care Financing is the state unit responsible for administering Title XIX of the Social Security Act (Medicaid). Prior to the March 1980 reorganization of the Department of Human Resources into the Department of Human Services, this unit was a Division within Executive Direction and Support (i.e. Office of the Director).

The 47 Federally funded positions are the complete staff of the Office and were transferred to the Commission on Public Health with the function.

QUESTION:
11. Please explain how the same number of positions, 618, can be supported in the Office of the Director with a reduction in regular pay, fringe benefits, and personal services.

ANSWER:
11. The Department has initiated a policy that all Federal reimbursements earned by a program will be returned to that program. This new policy, along with constraints designed into the new Financial Management System, increased the amount of these positions costs that would be met through reimbursements and decreased the District funds necessary to complete their funding.

QUESTION:
12. A rather substantial increase over previous increases, is expected in those applying for IMA benefits. Why is that? Please provide an updated table like the one on JA-15.

ANSWER:
12. Factors in the economy such as the high unemployment and inflation rates have a significant impact on the number of persons applying for IMA benefits. The table on page JA-15 represents our best projections for FY'82.

QUESTION:
13. Explain the need for the additional 10 positions in the Family Services Administration.

ANSWER:
13. The Bobby D. Consent Decree, (Civil Action Misc. 16-77) requires a staff-child ratio of one worker to twenty-five children to provide permanent placement and specialized care for the class of handicapped wards in the most family-like settings possible. The class includes 65 wards now in institutions and 325 wards in community placements. Strict compliance with the consent decree would require the 10 new positions requested in order to provide services to this population and to prevent further judicial involvement.

QUESTION:
14. Concerning the Office of Eligibility Review. Your report to the Committee for March, 1981 states that 29 investigators completed action on 436 cases, or 15 per investigatior. The report also states that a minimum standard of 30 cases per month is expected. Does this indicate a productivity problem.

ANSWER:
The OER investigators do not carry a "caseload" per se. They draw the cases to be investigated from the caseloads of 16 decentralized offices throughout the District of Columbia. The production standard of 30 reviews per month per eligibility worker was established in 1978 as the standard for a DS-9 eligibility worker dedicated to conduct recertification reviews in an assembly line mode of operation. The standard was not scientifically determined and was not intended to represent the activities of an investigator whose role requires more in-depth and time-consuming work for each case. The standard was also not intended to represent the activities of an eligibility worker who carries the case maintenance responsibilities as well as the review activities of a caseload. The standard has therefore been rescinded by the Administrator of IMA until the new scientifically developed standards we are developing are operational throughout the Administration.

Most of the activities of the OER investigators during the past 18 months have focused on the investigation of cases identified by a computer match of unemployment compensation benefits and wages reported to the District of Columbia, Maryland and Virginia. The investigations require home visits, collateral contacts and other activities which require more time than the routine recertification review.

The Office of Eligibility Review has several outstanding investigators who are capable of completing up to 30 cases per month depending upon the source of identification of the high risk or "error prone" cases. Under normal operating circumstances, with clerical support, an experienced investigator of either grade might be expected to complete about 25 investigations. However, a standard would be inappropriate and may be counterproductive. OER also has several excellent investigators who may complete only 15 very difficult cases. The productivity depends greatly upon both the type of case being investigated and the organizing ability of the investigator.

The performance of most of the investigators can be measured in terms of their reduction of error payments through the closing of ineligible cases and the adjustment of payments to overpaid cases. It is true that performance has declined during the past year. This is caused by both the decrease of individual productivity and the continued attrition in investigation staff.

A monthly performance reporting system is currently being implemented within OER to permit the monthly assessment of the investigators' activities in terms of both the number of cases reviewed and the monthly reduction in payment errors.

QUESTION:
15. On March 30,1981 OER was transferred from the Bureau of Eligibility Determination, Income Maintenance Administration to the Office of the Administrator, IMA. Why was this done and what performance goals can we use to measure the effectiveness of this move? We are looking for specific data?

ANSWER:
15. Plans are under development to establish a new and expanded role for the investigators of OER. They are now part of the Office of Management Systems, a new organization charged with the responsibility for quality assurance, program and management analysis, statistical analysis of quality control error rates, and development of Error Prone Profiles.

The investigators will become the core of a new internal quality assurance program patterned after a similar program conducted by Los Angeles County, a program to which Los Angeles staff attribute a major contribution to the reduction of their AFDC payment error rate to approximately 2.2%.

The quality assurance program, when fully implemented with analytical support staff, will include the implementation of an error prone profile system for the selection of high risk cases for review, expanded use of data match systems for the identification of error prone cases, and the validation of eligibility determination verification techniques. The responsibilities of the investigators will involve greater in-depth investigation of cases, an increased role in identifying error prone cases for review by the eligibility workers, and a new role in providing management control and oversight responsibilities for all aspects of the AFDC, GPA, and Food Stamp Program.

Other roles of the Office of Management Systems are planned to include programs and management and analysis capabilities which will be employed to identify organization and management problems which contribute toward the lack of efficiency and effectiveness of elements of the Income Maintenance Administration. These functions will augment the quality assurance program to ensure the most effective use of the available resources.

With the developmemt of new management information systems included in the scope of the organizational changes, the activities of the investigators will be measured directly in terms of their individual contribution toward the reduction of payment errors, or their performance will be measured indirectly in terms of the payment error reductions accomplished by the eligibility workers in the centers for whom the investigators will have a monitoring role in the quality assurance program. Similar measurement indicators will be established for the General Public Assistance Program and Food Stamp Program.

FY 1982 BUDGET AMENDMENT

QUESTION:
1. The revised budget submitted in May 1981 for FY 1982 indicates that an additional $3,284,300 is required for rent because consolidation into District space. How many square feet of space is rented, where and what is the total cost for FY 82? Provide a table if necessary.

ANSWER:
1. The FY 1982 Budget Amendment is for 412,367 sq. ft. of rented space for which the projected rental cost for FY 1982 is $5,197,700, of which $1,913,400 is available in the FY 1982 budget request for the Departments of General Services and Human Services. This projection does not include any possible increase in property tax or maintenance cost which are included in the rental fee.

QUESTION:
2. Why was suitable space not available?

ANSWER:
2. Efforts were made to identify suitable vacant school buildings. All sites recommended as an alternative were found to be either too small to accommodate our programs, too costly to renovate or logistically inadequate. We are still seeking viable alternatives.

QUESTION:
3. Medicaid requirements are projected to increase by $1 million to $61.1 million in the revised FY 82 budget. Provide a breakdown of the $1 million. Also indicate from what sources and the amount of additional revenues.

ANSWER:
3. The original estimate for Inpatient Hospital Care has been increased by $2 million. The Federal Department of Health and Human Services' Medicaid program will reimburse the District for 50% or $1 million. The District must provide the other $1 million and the Amendment is requested for this purpose.

QUESTION:
4. Requirements for General Public Assistance (GPA) will increase by $805,100 to $14,147,400. Please detail the reason for the increase in caseload. Also indicate if these additional funds will go to the claimants or if some will be used for administrative purposes?

ANSWER:
4. The increase of $805,100 for General Public Assistance (GPA) is the result of new cost projections based on 1981 actuals and projections of increased caseloads. The increased cost per case in 1981 and the 5% benefit increase budgeted in FY 1982 will result in an estimated average annual cost per case of $2,482. It is projected that the GPA caseload will increase by approximately 100 cases which represents a further increase of $248,200 in annual cost. These two factors comprise the increase requested in GPA. The increased funds will be in the form of direct money payments to GPA clients.

QUESTION:
5. Why has there been an expected increase in deinstitutionalized patients payments of 700 up to 1,000 patients?

ANSWER:

5. DHS is in the process of implementing a court order which mandates the deinstitutionalization of patients from St. Elizabeths Hospital and Forest Haven to community residential care facilities. The original estimates of deinstitutionalized patients has increased from 700 to 1,000. This will result in an increase of approximately $400,000. The balance of the $442,000 increase in FY 1982 is attributable to an increase in the number of persons who are eligible for the $15 monthly supplemental payment for SSI recipients in the District.

QUESTION:

6. An additional $804,000 is requested for Forest Haven housekeeping positions. How many positions are required for this purpose? Are they currently on board? No additional personnel has been requested, will this require diversion for anticipated increases in other areas - if so where?

ANSWER:

6. The FY 82 budget anticipated contracting out housekeeping services at Forest Haven. However, potential contractors specializing in providing these services refused to bid or submitted bids which were not practical. The $804,000 will restore the funds needed for these 67 housekeepers. Sixty (60) of these positions are presently filled. No diversion of staff will be necessary.

QUESTION: .

7. Because of an increase in drug activity in the District $240,000 has been added to the FY 82 budget for Drug Treatment Services, now totalling $2,637,800. You note that these positions where scheduled to be eliminated in FY 1982. Does this situation now change your plans? How many people and what are their roles are involved? Where will positions be redirected to compensate for this action?

ANSWER:

7. No, it doesn't change our plans. The 1982 budget before the Congress still proposes to abolish 66 positions within Alcohol and Drug Abuse Services Administration. The proposed amendment does not change that fact. What will happen is that 12 temporary positions will be established, pending reauthorization of 12 permanent positions through the budget process.

QUESTION:

8. The revised request also includes $607,100 for the Research and Statistics Division, an increase of $250,000 for the vital records system. This is to pay a contractor to computerize the records. Has this contract been let? Why wasn't this amount contained in the original FY 1982 budget? What will the contractor provide, more capacity, establish a computer system or will you rent computer time?

ANSWER:

8. The increase of $250,000 for the vital records system will be used for switching from a microfilm base to a computer base for vital records. The plan is to use the DHS computer and add the

necessary components to provide input and retrieval capacity at the Vital Records Section.

No contract has been let at the present time. The plan is to purchase several components and to lease others. In addition to hardware, it will be necessary to modify the present software as necessary and develop new software. This will also be done by contract as will the data reduction of past years' certificates.

Automation of vital records has been contemplated for a number of years. Due to limited financial resources, however, it was not considered a high priority item. The feeling now is that the time for automation has arrived.

The contractor(s) will provide hardware, software and data reduction. Some equipment will be purchased and some will be leased. The equipment to be purchased will augment the capacity of the present DHS computer. The leased equipment will be installed at the Vital Records Section and will enable the staff to both input and retrieve vital records data.

District of Columbia General Hospital

STATEMENT OF GILBERT HAHN, JR., CHAIRMAN OF THE COMMISSION

ACCOMPANIED BY:
- ROBERT JOHNSON, DIRECTOR, DISTRICT OF COLUMBIA GENERAL HOSPITAL
- DEV NARANG, CONTROLLER
- ERNIE WAGNER, BUDGET OFFICER
- SINGH TANEJA, COST AND REIMBURSEMENT DIRECTOR

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. The second agency today is the District of Columbia General Hospital. We have with us Mr. Gilbert Hahn, chairman of the commission. Mr. Hahn?

INTRODUCTION OF STAFF MEMBERS

Mr. HAHN. Mr. Chairman, I am Gilbert Hahn, chairman of the District of Columbia General Hospital Commission. I have here with me Mr. Johnson on my right who is our executive director, and on my left I have our controller, our budget officer, and our cost and reimbursement director—Mr. Narang, Mr. Wagner, and Mr. Taneja.

PREPARED STATEMENT OF SECRETARY OF THE COMMISSION

Mr. Chairman, there is a prepared statement which has already been submitted by the secretary of the commission in writing, and if I may, I will ask that that be made a part of the record.

Senator D'AMATO. So ordered.

Mr. HAHN. Thank you, Mr. Chairman.

[The statement follows:]

STATEMENT OF JAMES WILLIAMS

Mr. Chairman, members of the Committee, my name is James Williams. I am Secretary of the District Of Columbia General Hospital Commission, and Chairman of its Budget and Finance Committee. Since its inception three years ago, the Commission has made every effort to govern the Hospital and improve the quality of care. Oversight is given to the Hospital by its Board of Commissioners and authority for the day-to-day operations is delegated to the Executive Director and staff. I would like to describe some of the programs that the Hospital has initiated in the past year as well as those that are of an on-going nature.

Renovation is still continuing in many areas of the Hospital, and the improvements will result in increased efficiencies of programs and operations. The modernization will provide those amenities that are considered standard in other hospitals, such as the new gift shop. The physical appearance of the Hospital has improved considerably and efforts are underway to improve the attitude and public responsiveness of all employees.

The Hospital has several plans underway to provide more adequate health care services to the medically indigent, and at the same time, to increase the utilization of the Hospital's services. The result will be an increase in the general efficiency and an improvement in the financial status of the Hospital. The plans are as follows:

1) The Hospital is trying to develop a primary care network to serve the medically underserved residents of southeast Washington. This project is being funded by a grant fron the Robert Wood Johnson Foundation, and it is jointly sponsored by the Georgetown, Howard, and George Washington University Medical Centers.

2) The Commission is interested in exploring various alternative ways of organizing the Medical/Dental Staff. These could include some form of private practice, contracting out certain services or greater affiliation with the two affiliated Universities, Howard and Georgetown. The Commission and the Medical Staff are seriously exploring these and other alternatives.

3) The Hospital is the largest provider of ambulatory care services in the metropolitan area, operating about 33 different medical clinics. Funds are being requested for a new Ambulatory Care Center, and the center is essential to the long-range improvement of the Hospital. It would provide better services

to more patients and reduce the Hospital's per patient operating costs by substantially increasing the inpatient and outpatient load.

The problem that the Hospital has had with its long-term care patients has been resolved to a large extent by an agreement made with the Office of Aging. Over the past several months, over one hundred and twenty five long-term care patients were transferred to the Old Lutheran Home, now the Washington Center for Aging Services. The Hospital is now able to utilize those beds for real acute patients while not suffering the financial losses involved in maintaining those non-acute patients. And the cost for caring for the patients to the City and to the Federal Government is several million dollars less per year.

The Hospital Commission established as a primary goal the direct collection of cash for health care services rendered from third party payers and from self-pay patients at full or reduced rates. As a result, for the last few years the Hospital has been much more financially self-sustaining and less dependent on appropriated funds. A sophisticated computerized billing and collection system has enabled the Hospital to maximize its direct cash collections.

The five-year Long Range Plan for the Hospital ensures that utilization of the Hospital resources are reviewed in terms of cost effectiveness. In developing budget plans for activities whose work lends itself to quantitative analysis, work measurements and performance standards will be used. As resources become more limited, it becomes more important that they in fact are appropriately used so that the Hospital's mission can be accomplished.

Mr. Chairman and members of the Committee, I am pleased to introduce Mr. Robert Johnson, the Hospital's Executive Director, who will speak about some of the specifics of the Hospital's Fiscal Year 1982 Budget Request.

D.C. GENERAL HOSPITAL
OPERATING BUDGET
COMPARATIVE DATA 1977 - 1982

FISCAL YEAR	APPROPRIATION	+	CASH COLLECTIONS	=	GROSS OPERATING BUDGET	AUTHORIZED POSITIONS	POSITIONS FILLED AT YEAR END
1977	$41,830,700		-0-		$41,830,700	2,329	1,828
(At beginning of F.Y. 1978 Hospital transferred from DHR (now DHS) to independent Commission, under D.C. Law 1-134).							
1978	($31,607,800) /1		($16,304,500)		$47,912,300 /2	2,380	2,159 /3
1979	$28,130,800		$26,639,900		$54,770,700 /4	2,275	2,160
1980	$31,654,000 /5		$32,686,500		$63,824,500	2,356	2,120 /6
1981	$31,088,600		$40,874,462		$71,963,062	2,356	2,090 /6
1982	$29,786,600		$43,242,400		$73,029,000	2,356	2,140

/1 Appropriation net of cash collections. See footnote /4.

/2 Includes $2,191,000 in Hospital costs absorbed by DHR and $508,000 authorized by Financial Oversight Commission.

/3 Staffing increase in F.Y. 1978 of 331 filled positions was mandatory to regain accreditation and fulfil administrative functions transferred to Hospital by DHR under D.C. Law 1-134.

/4 Beginning in F.Y. 1979 the Hospital is mandated by D.C. Law 1-134 to operate with a gross budget consisting of both an appropriation and reimbursable revenues (cash collections from billings). In F.Y. 1978 and before the Hospital's operating budget was entirely financed by appropriations, while revenues generated by the Hospital's operations went directly into the District treasury. In F.Y. 1982 the Hospital must fund approximately 59% of its financial requirements through collections.

/5 Funds for Georgetown University Medical School totaling $516,000 were included in D.C. General Hospital's appropriation but were not available for the Hospital's use.

/6 Lower staffing level due to temporary bed closures caused by the Hospital's major capital project to renovate the core building sufficient to meet JCAH standards.

STATEMENT OF COMMISSION CHAIRMAN GILBERT HAHN

Mr. HAHN. If I may, Mr. Chairman, I would like to say a word or two about the commission and about the hospital.

District of Columbia General Hospital is our single acute-care public hospital in the District of Columbia. In October 1977, the city government created the independent commission which I head in an effort to see if a direction of this hospital toward a voluntary, nonprofit hospital couldn't better serve the public.

I would say, and I think fairly so, that before that time, which was about 4 years ago, it was the most problematic hospital. It had lost its accreditation from the joint commission. It had lost its certification from HEW.

In the meantime, it has gotten its accreditation restored. It has gotten its certification restored. In another measure, I think we have succeeded because we have appeared less and less frequently in the press with unfavorable stories.

In my personal opinion, and that is based on having headed at least one other hospital, this is now an excellent, major acute-care facility—I dare say one of the finest of its kind in the country. What is more, I would ask if one of these gentlemen would submit to you a summary of our operating budget.

This hospital has gone from a budget of almost $48 million in 1978 to a projected budget in 1982 of $73 million. During that same period, as the result of funds provided by the Congress, we installed as part of our mission a computer collection system so that where previously less than a third of the budget was collected from third party sources, that is now 60 percent.

As you can see, the appropriation for this hospital over a 5-year period has remained the same or, in fact, gone down just a little while the budget has almost doubled.

We are in midpassage, Mr. Chairman. A lot remains to be done. We wish very much to complete the emergency room and out-care patient facility. Our primary goal—really two goals—is to achieve what I consider the mission of a great city public hospital, which is to have absolutely the best emergency care facility. I don't want to hear on the radio any more that officer this and fireman that have been taken to my former hospital, the Washington Hospital Center, but that District of Columbia General Hospital is now so good that they are being taken there. That is in our capital budget for this year and last year.

What I am saying, in effect, Mr. Chairman, is that this is not a begging mission here. This is an exercise in taking a hospital and making it fiscally responsible. I don't say that we will ever be completely off the public roll, but as a larger and larger share of our hospital is taken care of by the funds that we are able to generate ourselves, I think in time that itself will both serve the public and also demonstrate how this can be done without having to have government do it all.

AMBULATORY CARE FACILITY

Senator D'AMATO. Let me ask you something, if I might, in regard to the ambulatory care facility, the construction program, for which you ask for some $3 million. What is the total cost of that facility? How long would it take to have that part of it completed?

Mr. HAHN. I am not sure I heard you. Are we talking about the emergency room facility?

Senator D'AMATO. Construction of an ambulatory care center.

Mr. HAHN. Yes; the total cost is about $14 million.

Senator D'AMATO. How long will that take to complete?

Mr. HAHN. It should be finished in 1984, if our funds are available when we would like to have them.

Senator D'AMATO. What effect, if any, will that have on the outpatient caseload to the hospital, and what effect will it have on the operation of your 33 medical clinics that presently exist?

Mr. HAHN. In our opinion, at the present time we don't think any effect—at least none that we can see.

Senator D'AMATO. For example, it won't ease the load at those 33 medical clinics?

Mr. JOHNSON. It will provide more space, clearly. It will be a separate facility and be built adjacent to the hospital and potentially allow us to increase the number of patients we see. We are currently in the midst of trying to develop primary care programs at the hospital as well as primary care programs in the community. Clearly our present facilities are inadequate to accommodate the current number of patients we see. They were built in the 1930's and 1940's and updated when we were seeing a lot less patients. So it is designed primarily to give care to the current load. But the potential is there to expand the caseload.

DISTRICT OF COLUMBIA GENERAL AS THE FAMILY DOCTOR

Mr. HAHN. Mr. Chairman, let me answer a question you didn't ask. It has been my experience, watching the development of the public hospital, that of course more and more there is no such thing as home visits by family doctors, so that in a real sense a hospital like District of Columbia General becomes a family doctor. More and more—and this is also a function of sensible policy—there are fewer and fewer inpatient patients all the time. There are more and more outpatients. The patient tends to come to the hospital as his family doctor.

This is just as big a function as the emergency facility. I would say less than 25 percent of the visits are of an acute or emergency nature.

Senator D'AMATO. Will this have a positive effect on the completion of the ambulatory care center, in terms of moving people from the emergency room to this other facility?

Mr. HAHN. One of the things that we have to do better and better all the time, using a word I don't like very much, is "triage." But the process is separating out those who need aspirin and a pat on the head from those who have a really serious problem.

Senator D'AMATO. Those who have an emergency and need medical attention.

Mr. HAHN. Yes, sir.

Senator D'AMATO. Well, having served as a member of a board that had direct responsibility with a small community hospital in my own hometown, I can tell you the weekends were just like visiting the battleground, where you would see any number of people with heads bandaged and broken limbs, and then even more serious cases of those who were brought in with the accidents, where life was really hanging by a thread. Then, of course, you have those cases where people would come in with coughs, coming in for an aspirin, et cetera. It is all intermingled. So it is not an easy situation. But hopefully this ambulatory care center will be able to give you the ability to attract and to educate people as to when to use each of these facilities.

Mr. HAHN. I can see you understand the problem very well.

PSYCHIATRIC CARE AT THE HOSPITAL

Senator D'AMATO. We didn't even get into the psychiatric problem. Do you have a psychiatric problem there on weekends?

Mr. JOHNSON. We don't have an inpatient psychiatric ward.

Mr. HAHN. We don't have an inpatient psychiatric ward, but we have facilities. In part, we care for the patients at the District of Columbia Jail.

Senator D'AMATO. I am wondering, in terms of the weekends, what takes place. That question probably should have been addressed to the other panel.

Mr. JOHNSON. On the grounds of the hospital, we have the area C mental health facility and we refer most of our psychiatric patients there. At times there are patients referred to St. Elizabeths. But we have an in-house psychiatric consultation staff of three people.

Mr. HAHN. Out on that campus—and I hope you will get an opportunity to come and visit us—there are many more facilities than just District of Columbia General Hospital that are part of the excellent services that are provided by the Department of Human Services.

COMPLIMENTING HOSPITAL STAFF

Senator D'AMATO. Let me thank you very much for coming in. If you would keep that appropriation level at the level you have and increase those third-party collections the way you have, that is an outstanding job that you have done in these past 5 years—not only in turning around a rather critical situation and getting the accreditation, but I think you ought to be commended for the improvement that you have brought forth, you and your staff. The city should be commended both on the hospital and also in terms of the increased productivity and efficiency in terms of collections.

Mr. HAHN. Thank you very much, Mr. Chairman.

Department of Employment Services

STATEMENT OF IVANHOE DONALDSON, DIRECTOR

ACCOMPANIED BY:
MATTIE I. TAYLOR, DEPUTY DIRECTOR, LABOR STANDARDS
MATTHEW SHANNON, DEPUTY DIRECTOR, PROGRAM OPERATIONS
WILLIAM B. CLATANOFF, Jr., ACTING DEPUTY DIRECTOR, FINANCE, ADMINISTRATION AND MANAGEMENT SERVICES
JAMES GEORGE, COMPTROLLER

SUBCOMMITTEE PROCEDURE

Senator D'Amato. Mr. Ivanhoe Donaldson is the Acting Director of the Department of Employment Services. Since this is your first appearance before the committee, Mr. Donaldson, we will place in the record a brief biographical sketch that you have.

After you have introduced your colleagues at the table, you may proceed with whatever opening remarks you would like to make.

INTRODUCTION OF ASSOCIATES

Mr. Donaldson. Good afternoon, Mr. Chairman. I am Ivanhoe Donaldson. With me today is Mrs. Mattie Taylor, the Deputy Director for Labor Standards; Matthew Shannon, Deputy Director for Program Operations; William Clatanoff, Deputy Director for Financial and Administrative Management; and James George, the Agency Comptroller.

Our proposed budget for fiscal 1982 requests a gross obligational authority of $68.5 million, of which $53.9 million, or 79 percent, consists of Federal grants. The appropriated portion of our fiscal 1982 budget request is $14.5 million.

PREPARED STATEMENT AND BIOGRAPHICAL SKETCH

Mr. Chairman, we have entered a formal statement for the record, and we would like that to be accepted. I realize that you have a series of questions that you have sent to us, and we are prepared to answer them.

[The statement and biographical sketch follow:]

STATEMENT OF IVANHOE DONALDSON

GOOD MORNING, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I AM IVANHOE DONALDSON, THE ACTING DIRECTOR OF THE DEPARTMENT OF EMPLOYMENT SERVICES. WITH ME TODAY ARE MRS. MATTIE TAYLOR, THE DEPUTY DIRECTOR FOR LABOR STANDARDS; MATTHEW SHANNON, DEPUTY DIRECTOR FOR PROGRAM OPERATIONS; WILLIAM CLATANOFF, DEPUTY DIRECTOR FOR FINANCIAL AND ADMINISTRATIVE MANAGEMENT; AND JAMES GEORGE, THE AGENCY COMPTROLLER.

OUR PROPOSED BUDGET FOR FISCAL 1982 REQUESTS A GROSS OBLIGATIONAL AUTHORITY OF $68.5 MILLION DOLLARS, OF WHICH $53.9 MILLION DOLLARS, OR 79 PERCENT, CONSISTS OF FEDERAL GRANTS.

OUR FEDERAL GRANT BUDGET, HOWEVER, COULD BE RADICALLY ALTERED FROM THE BUDGET AS PRESENTED. WE ESTIMATE THAT THE CITY'S 1982 CETA FUNDING COULD BE APPROXIMATELY $32.6 MILLION DOLLARS, OR 61 PERCENT LESS THAN THE $52.3 MILLION DOLLARS RECEIVED IN FISCAL 1980.

IN ADDITION WE EXPECT SIGNIFICANT REDUCTIONS IN FUNDING FOR THE JOB SERVICE AND UNEMPLOYMENT COMPENSATION PROGRAMS. WE PREDICT THAT THIS COULD RESULT IN A $1.4 MILLION DOLLAR CUT IN OUR FISCAL 1982 EMPLOYMENT SECURITY GRANTS FROM THEIR FISCAL 1981 LEVEL.

IN TOTAL, THE IMPACT COULD REDUCE OUR GRANT BUDGET FOR FISCAL 1982 FROM $53.9 MILLION DOLARS TO APPROXIMATELY $34.8 MILLION DOLLARS; A 35 PERCENT DECREASE.

THE APPROPRIATED PORTION OF OUR FISCAL 1982 BUDGET REQUEST IS $14.5 MILLION DOLLARS. OF THIS AMOUNT, $10.4 MILLION DOLLARS OR A FULL 72 PERCENT IS FOR THE DIRECT PAYMENT OF WAGES AND TRAINING FOR PARTICIPANTS ENROLLED IN PROGRAMS UNDER THE

DISTRICT'S YOUTH EMPLOYMENT ACT. OF THESE PARTICIPANT COSTS, $3.3 MILLION DOLLARS IS FOR SUMMER YOUTH WAGES, $4.4 MILLION DOLLARS IS FOR WAGES FOR ON-THE-JOB TRAINING FOR ADULTS WITH DEPENDENTS, $2.0 MILLION DOLLARS IS FOR WAGES AND TRAINING FOR OUT-OF-SCHOOL YOUTH AND THE REMAINING $714,600 IS FOR AFTER SCHOOL JOBS FOR IN-SCHOOL YOUTH. ANOTHER $1.0 MILLION DOLLARS WILL BE USED BY THE DEPARTMENT TO ADMINISTER ALL OF THESE PROGRAMS. ORIGINALLY, THESE YOUTH ACT PROGRAMS WERE INTENDED TO BE SMALL LOCAL CONTRIBUTIONS TO THE TOTAL FEDERAL EFFORT. NOW, HOWEVER, THEY ASSUME AN ENLARGED IMPORTANCE IN OUR GOVERNMENT'S ABILITY TO PROVIDE CITIZENS EMPLOYMENT AND TRAINING SERVICES, ESPECIALLY FOR OUR YOUTH.

OF THE REMAINING $3.1 MILLION DOLLARS IN APPROPRIATED FUNDS, $2.8 MILLION DOLLARS SUPPORTS LABOR STANDARDS PROGRAMS OF THE DEPARTMENT, INCLUDING ENFORCEMENT ACTIVITIES UNDER THE DISTRICT'S MINIMUM WAGE AND HOUR LAW AND PROVISION OF OCCUPATIONAL SAFETY AND HEALTH SERVICES TO EMPLOYERS AND EMPLOYEES IN THE PRIVATE SECTOR. THE DEPARTMENT RECENTLY ASSUMED RESPONSIBILITY FOR THE ADMINISTRATION OF THE CITY GOVERNMENT'S SAFETY AND HEALTH PROGRAM FOR CITY GOVERNMENT EMPLOYEES. THIS PROGRAM WAS FORMERLY ADMINISTERED BY THE CITY'S PERSONNEL OFFICE. A TOTAL OF FIVE POSITIONS AND $114,300 WAS TRANSFERRED TO THE DEPARTMENT BY INTRA-DISTRICT SALES AGREEMENT FOR FISCAL 1981. THIS SAME PROCESS IS PLANNED TO BE REPEATED IN FISCAL 1982.

THE DEPARTMENT ALSO BEGAN ADMINISTERING THE DISABILITY COMPENSATION PROGRAM FOR INJURED CITY EMPLOYEES. FORMERLY, THE PROGRAM WAS OPERATED BY THE U.S. DEPARTMENT OF LABOR, OFFICE OF WORKERS' COMPENSATION PROGRAMS, DISTRICT 25 OF THE FEDERAL EMPLOYEES COMPENSATION ACT (FECA). BEGINNING WITH FISCAL 1982, THE CITY MUST PROVIDE FOR THE ADMINISTRATION OF THE PROGRAM

THROUGH THE APPROPRIATED BUDGET. ACCORDINGLY, $493,600 IS REQUESTED FOR 23 POSITIONS AND RELATED SUPPORT.

THE DISTRICT'S APPRENTICESHIP PROGRAM WILL RECEIVE $215,000 TO PROMOTE A VOLUNTARY PROGRAM UNDER WHICH INDIVIDUAL EMPLOYERS, IN COOPERATION WITH REPRESENTATIVES OF THE EMPLOYEES, FINANCE AND CONDUCT A STRUCTURED ON-THE-JOB AND CLASSROOM TRAINING PROGRAM.

THE REMAINING APPROPRIATED FUNDS WILL BE USED TO PROVIDE $50,000 IN LEGALLY REQUIRED MATCHING FUNDS FOR A SENIOR CITIZENS EMPLOYMENT PROGRAM WHICH PROVIDES PART-TIME JOBS FOR OLDER WORKERS UNDER THE OLDER AMERICAN ACT. THIS COMPLETES A GENERAL PROGRAMMATIC OVERVIEW OF THE USE OF APPROPRIATED FUNDS REQUESTED IN OUR BUDGET.

THE DEPARTMENT, HOWEVER, HAS BEEN ASSIGNED RESPONSIBILITY FOR TWO FUNDS IN FISCAL 1981 PREVIOUSLY ADMINISTERED BY THE D.C. OFFICE OF PERSONNEL. BOTH OF THE NEW FUNDS APPEAR IN THE DEPARTMENT'S FISCAL 1982 BUDGET. ONE OF THESE FUNDS PROVIDES UNEMPLOYMENT COMPENSATION PAYMENTS TO FORMER CITY EMPLOYEES. THE FISCAL 1982 REQUEST FOR THIS FUND IS $7.8 MILLION DOLLARS. THE SECOND FUND IS THE DISABILITY COMPENSATION FUND WHICH PROVIDES BENEFIT PAYMENTS AND MEDICAL SERVICES TO INJURED CITY EMPLOYEES. THE FISCAL 1982 REQUEST IS $10.6 MILLION DOLLARS WHICH IS AN INCREASE OF $1.3 MILLION DOLLARS FROM THE RECENTLY APPROVED FISCAL 1981 SUPPLEMENTAL BUDGET. THE RISING COST OF THE DISABILITY PROGRAM IS RELATED PRIMARILY TO INFLATIONARY FACTORS EXPRESSED IN AUTOMATIC COST OF LIVING INCREASES TO CLAIMANTS AND THE HIGH COST OF MEDICAL SERVICES.

MR. CHAIRMAN, THIS CONCLUDES AN OVERVIEW OF THE DEPARTMENT'S BUDGET REQUEST. I WOULD BE PLEASED TO ANSWER ANY QUESTIONS YOU OR MEMBERS OF THE COMMITTEE MIGHT HAVE.

RESUME

IVANHOE DONALDSON

Mr. Donaldson is a nationally recognized political strategist who was Mayor Marion S. Barry, Junior's Campaign Manager for his sucessful Mayoral race of 1978. He has helped to sucessfully engineer campaigns of other nationally known elected officials such as Former Ambassador Andrew Young, State Representative, Julian Bond and Gary, Indiana Mayor, Richard Hatcher.

Mr. Donaldson is a veteran of the Sixties Civil Rights Movement and a former member of the Student Non-Violent Coordinating Committee (SNCC).

He is a former resident fellow of the Institute for Policy Studies; an Executive with the Cummins Engine Company; Consultant to various national foundations and organizer of the National Black Political Convention in Gary, Indiana during 1972.

Mr. Donaldson currently serves as the General Assistant to ~~Mayor Marion~~ S. Barry, Jr. in addition to his current position as Acting Director, D. C. Department of Employment Services.

Mr. Donaldson has served as an Associate Professor of Political Science at the University of Massachusetts in Amherst, Massachusetts; is currently a faculty member at The Washington School here in the District of Columbia. He has recently become a board member to a National Association of Office Workers -- WORKING WOMEN. He is a board member of the Conference on State and Local Policies and a former board member of Family & Child Services of Washington, D.C.

Mr. Donaldson was born in New York City and raised in Jamaica, West Indies. He attended Michigan State University. He resides with his wife, Winnie Burrell Donaldson, in northwest Washington.

APPLICANTS FOR SUMMER YOUTH PROGRAM

Senator D'Amato. Let me ask you this: How many applicants do you expect for your summer youth program? How many jobs have you been able to identify for that program?

Mr. Donaldson. At present, we have 20,954 applicants who are certified for the program, and we have 18,300 jobs available, or the funding for 18,300 jobs. We actually have a greater degree of jobs available, but in terms of dollars and participants, it is 18,300 jobs and 20,954 applicants.

SCREENING AND MONITORING OF JOBSITES

Senator D'Amato. One of the often criticized aspects of any of these summer youth programs comes down to the screening and monitoring of the jobsites. What have you done to deal with that specific problem?

Mr. Donaldson. I am going to let Mr. Shannon handle those types of questions that deal with summer employment programs.

Mr. Shannon. This year, Mr. Chairman, we have prepared for each of our worksites a worksite profile which would identify the ratio of supervision. Our ratio maximum number is 1 to 15 in terms of supervision. We have made onsite visits to make certain that those worksites are appropriate, that they are safe, and that they provide a meaningful work experience for our young people.

JOBS PROVIDED BY PRIVATE SECTOR

Additionally, those sites that were viewed as troublesome worksites in previous years, we are scheduling each of those worksites for compliance monitoring visits on a weekly basis.

Senator D'AMATO. In terms of the development of the 18,300 jobs, has any portion of that projected number of jobs been developed as a result of your efforts with the private sector?

Mr. SHANNON. The private, nonprofit sector yields the most jobs for us. We have been in a liaison and coordinating relationship with the Board of Trade's National Alliance of Business in the private, for-profit sector. We are not in the private, for-profit sector because we believe that the private sector in this community can develop those jobs in a better fashion than we can. We have stationed three staff persons there to refer our young people against those job openings which are identified in the private, for-profit sector.

We have, however, developed 7,000 job openings in the private, nonprofit sector, which represents a substantial portion of our job market in the District of Columbia.

Senator D'AMATO. You developed 7,000 jobs——

Mr. SHANNON [continuing]. In the private, nonprofit sector.

HAVING SUFFICIENT NUMBER OF JOBS

Senator D'AMATO. Do you have a coordinating program to refer to the private, for-profit sector those young people who are without jobs. If you have 20,000 applicants, obviously some of them will turn down your jobs. Do you have enough jobs?

Mr. SHANNON. We believe that we have enough jobs. We have overdeveloped jobs. We have developed around 21,000 jobs to date. We historically have overdeveloped jobs because we realize that employers' budgets change over the months and they may not have job openings that are valid when our young people plan to report there. But in terms of responding to your question with regard to the private sector, we have, we believe, identified through our coordinated effort with the Board of Trade, having 3 staff persons there, a projection of about 2,000 openings for young people within the District of Columbia. We believe that we can at least get 600 young people through our program and into those job openings.

That would not take into account that youngster who is enterprising, who would go in to that employer and say, "I am here to work" and the employer would hire that young person. But we believe there will be 2,000 young persons working in private, for-profit businesses in this city this summer.

DISABILITY COMPENSATION PROGRAM

Senator D'AMATO. I notice in the mayor's budget for fiscal 1982 the disability compensation fund has increased rather dramatically by some $1.5 million, so that we now have a total of $12.1 million. Do you have any explanation for that projected increase? Are we experiencing more claims? What would account for that kind of an increase?

Mr. SHANNON. Mr. Chairman, our deputy director for labor standards will respond to those questions on disability compensation.

Ms. TAYLOR. Yes, Mr. Chairman. We believe we can share with you some of the reasons why the costs for the disability compensation fund have risen so sharply over the past 2 years.

One principal reason is a tremendous increase in the cost of medical and hospital services in the District of Columbia. This, we have talked about with other providers of services, such as the insurance carriers and the major hospitalization carriers. They are experiencing the same rate of increase. We know that this is a fairly well-documented phenomenon and not something that is just rubbing off on the District's disability program.

None of us had anticipated that the cost of a hospital room in the District would jump so tremendously. The cost of emergency room care, the average emergency room care, Mr. Chairman, has practically doubled in the past 2 years. These are the kinds of things that have gone into the increase, that we actually have to put out more dollars to pay for the medical and hospital care for our injured employees.

Senator D'AMATO. So it is not so much that there has been an increased number of incidents but, rather, because the dollar cost has increased very dramatically in relationship to each one of those incidents.

Ms. TAYLOR. That is correct. We have seen no actual increase in the number of injuries that accounts for the cost. There are several things. Increased hospital and medical cost is one, Mr. Chairman. Second, as you know, the District's system parallels the Federal Employees Compensation Act, which by act of Congress awards two cost-of-living increases to disability recipients. We are one of the few local jurisdictions in the country which is saddled with the double cost-of-living increase. We have found these running between 10 and 13 percent a year to our claimants, which is another factor that has shot up the cost. That, coupled with the fact that the average weekly earnings of our claimants has increased as the pay raise has increased.

So when you get a cost-of-living increase, compounded by the pay increase, the actual dollars you are paying out per week for compensation goes up. So now you add that to the rise of hospital and medical care.

TAKEOVER OF PROGRAM FROM FEDERAL GOVERNMENT

Beyond that, Mr. Chairman, the District is experiencing something else unique in the takeover of this program from the Federal Government. Such takeover occurred on January 19 of this year. We found that the rate at which the Federal Government was adjudicating claims and making decisions and awarding patients was extremely slow. We inherited close to 3,000 backlogged cases. We are making an all-out effort to reduce that backlog. We have our claims examiners working very furiously to adjudicate those cases.

I might add that your own colleagues here on the Hill are quite concerned and write us quite often in behalf of claimants who have not had their cases decided on who were injured maybe as much as 1 year ago. So we find ourselves spending at a faster rate because we adjudicate faster than the Federal Government did.

Our claims tended to have a low priority when we were under the Federal system. Of course, now that it is with us, District claims are our only priority. So 100 percent of our efforts are going into deciding on District claims.

We have a greatly accelerated rate at which we are expending the funds for compensation on medical bills.

UNEMPLOYMENT COMPENSATION PROGRAM

Senator D'AMATO. I see that there is an increase in the unemployment compensation which is being sought, some $723,000. By what percentage do you expect the average weekly wage to increase in 1982 or, let me put it another way, what predicates your anticipation that the unemployment compensation is going to increase by $723,000?

Mr. SHANNON. We estimate the percentage of the increase to be about 7.5 percent. In 1981, the average weekly wage was $293 and in 1982 we project that it will be $315 a week, for an increase of 7.5 percent.

Senator D'AMATO. What effect do you expect from the Federal Government reductions in your force and in your ability to cope with the problems?

Mr. DONALDSON. That is going to be a major problem for us.

Mr. SHANNON. That is indeed going to be a major problem for us, particularly in view of the fact that the Federal U.S. Department of Labor has given us some projections which would bring our staff-years down. So our ability to deal with the claims would certainly be lessened.

However, we do have before the U.S. Department of Labor a supplemental budget request to automate our system. We hope that the automated system would certainly increase our ability to meet our Federal indicators in terms of the first case.

Mr. DONALDSON. As you know, we had a 3-percent cut this year, but our workload will increase probably 15 percent in 1982, as has been the case. The OMB has cut the OI system about 3 percent each year. To the District it is always a dramatic cut because anytime there is a major activity among Federal employees, they all can file in the District of Columbia or military employees can file here or anywhere in the country by law. We expect a major adjustment in our workload both for 1981 as well as for 1982.

Senator D'AMATO. How do you anticipate coping with that problem?

Mr. DONALDSON. We are trying as best we can to streamline our system through maybe perhaps an affidavit process with Federal employees. As Mr. Shannon noted, we have applied for a supplemental budget request from the U.S. Department of Labor to help our automated systems problem for this year and to enhance an old system which needs enhancement anyway. But by and large just strictly through an automated system as well as streamlining some of the administrative procedures.

We also have established new local offices in fiscal 1981 which we think will spread the weight of the workload that is before us.

Senator D'AMATO. I want to thank you very much for coming in and for giving us your testimony. We will be looking very closely at some of the things you have indicated and may be proposing some legislation to deal with that adjustment figure that you are stuck with twice annually, such as the other Federal employees. If the Federal Government wants to mandate that, then maybe they should fund that.

Mr. DONALDSON. Thank you very much, Mr. Chairman.

We have also submitted to you informally a copy of our comprehensive summer youth employment program. A formal transmission of this will be coming forward from the Council of the District of Columbia.

SUBMITTED QUESTIONS FOR THE RECORD

Senator D'AMATO. Thank you very much. I have some questions that I would like answered for the record.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

DEPARTMENT OF EMPLOYMENT SERVICES
A. DISABILITY COMPENSATION FUND

QUESTION:
1. It appears that the disability payment for a totally disabled person would receive $13,560 per year and a temporarily disabled person would receive $34.440. Is this accurate? How does the District compare to other states - please provide a table illustrating your answer.

ANSWER:
1. No. A person who is totally disabled may be able to receive a maximum yearly payment of $37,584 provided the average weekly wage is sufficient to warrant the maximum weekly benefit. According to the 1981 edition of the U.S. Chamber of Commerce Analysis of Workers' Compensation Laws, the D.C. maximum benefit for public employees is only exceeded by one other state's maximum weekly benefit. That state is Alaska which is listed as having an $859 maximum weekly payment. It should be noted that the Federal Employee Compensation Act provides a similar maximum weekly benefit as the D.C. statute. Other state comparisons:

STATE	MAXIMUM ANNUAL BENEFIT
Connecticut	$22,230
Iowa	19,968
Maine	16,752
Maryland	12,896
New York	11,080
Pennsylvania	13,624
Virginia	11,076
West Virginia	13,628
Ohio	14.300
California	9.000

QUESTION:
2. Your justification material indicates that over the past seven years program costs have increased 20% annually. How does that compare to the inflation rate over that period? How much of this increase has been in administration? How does this compare nationally?

ANSWER:
2. Medical costs against the fund represent approximately 1/3 of the total cost. The Consumer Price Index reveals that over the past four (4) years prior to 1981, medical costs rose 77.2%, which is a 19.3% average annual increase. Cost of living increases in disability benefits the past seven (7) years averaged nearly eleven (11) percent yearly. The remainder of the increased cost was affected by salary increases which raised compensation rates and an increased number of claims. None of the increased cost against the fund results from administration as that cost is budgeted separately. There is no data to compare administrative costs to other jurisdictions.

QUESTION:
3. Please provide a table indicating how many individuals and the total amount will be required for each class of cliamant?

ANSWER:
3. Based upon benefits paid in March 1981, the following table is calculated to determine annual benefits to be paid based upon the same number of claimants which varies from month to month:

TABLE OF BENEFITS PAID IN MARCH 1981 BY CLASSIFICATION OF WORKERS

	Number of Cases	Amount Paid Monthly
A. Death Cases	30	$ 26,800
B. Scheduled Awards	7	7,550
C. Automatic Rolls	353	343,477
D. Temporary Total or Partial Disability	137	250,258
E. Medical, Hospital & Other Costs	550	85,398
Total	1,077	$713,483

QUESTION:
4. In the FY 82 revised budget $1,474,600 is added to the fund. How does this breakdown?

ANSWER:

4. Supplies - which represents reimbursement of prescriptions, travel expenses, prosthetics, and miscellaneous medical supplies	$ 99,800
Medical expenses	$ 310,300
Disability payments to claimants	$1,064,500

QUESTION:
5. The original request for "supplies" was $21,000, in the revised budget it is $130,800. What is the reason for this increase and provide a list of the additional supplies needed?

ANSWER:
5. The revised budget request for supplies is $120,800. The "supplies" consist of prescriptions, prosthetics and miscellaneous medical supplies, not office or desk top supplies.

The reason for the increase is continuing inflation of medical supply costs and estimated increases in the numbers of total disability and temporary disability beneficiaries.

It is not possible to provide a list of the additional supplies because the need for medical supplies varies with the nature of injuries.

B. UNEMPLOYMENT COMPENSATION

QUESTION:
1. What is the average payment to claimants in Unemployment Compensation in the District of Columbia? Where does this rank the District nationally.

ANSWER:
1. The average weekly unemployment benefit paid to claimants in the District of Columbia during calendar year 1980 was $125.72. D.C. ranks second in this regard nationally, with Illinois first.

QUESTION:
2. What is the average salary in the District and the national ranking? Also what is the average salary of claimants and a ranking if available?

ANSWER:
2. The average weekly wage in the District of Columbia is $302.36. The District of Columbia ranks third in this category, behind Alaska and Michigan.

Figures for the average salary of claimants are not available.

OFFICE ON LATINO AFFAIRS

QUESTION:
1. (a) What have been some of the accomplishments of this office in the last year?

ANSWER:
1. (a) The major accomplishments of the Office on Latino Affairs during the past year have been the establishment of an office within the Latino community and complete the recruitment of professional staff. In the first five months at the new location over 1,200 persons visited the offices for services. With the full complement of professional staff a Resource and Development Unit and an Outreach Services Unit were established to provide technical and community assistance. Programs have been started in the following areas:

Housing: Secure funding for a community-based housing center to provide for the first time comprehensive bilingual assistance and counseling on tenants rights and responsibilities. Secured housing within 10 days for 30 Latino families displaced by a fire. In a recently completed project, we secured 20% of the housing units for Hispanic senior citizens.

Employment: Encouraged the hiring of Hispanics by the District of Columbia agencies, éspecially those providing community and social services. The Office has also established contact with contractors and the private sector to identify and increase job opportunities. A job referral service has been established and job vacancy announcements are circulated to all Latino community-based organizations.

Social Services: Good working relationships with D.C. agencies providing social services have been established in order to make them aware of the specific needs of Latino residents. An assessment has been made of all health agencies currently providing services in the Adams Morgan/Mt. Pleasant area in order to determine ways to improve and/or expand them.

Outreach Activities: The Office, together with the Commission on Latino Community Development, has sponsored seven community meetings and workshops to identify problems and seek solutions in the areas of crime, housing, bilingual education, senior citizens, media and economic development.

Summer Youth Program: A summer youth program, "New Horizons", to promote better understanding between Latino and Black youth, provide exposure to government and higher education and complete a youth-oriented survey of the community in coordination with Catholic University.

Latino Business Development Plan: Established a program to improve the overall economic situation of Latino business in the District of Columbia in order to stop and reverse the current exodus of business from the city to the suburbs.

Greater Parity of Hispanics in Media: Establishment of a Latino Media Task Force and the development of a program to increase the employment of Hispanics in the media according to FCC guidelines; and to increase the number and quality of media programs for Latinos.

Translation Program: Implemented a program in accordance to D.C. Law 2-31 to make materials available in Spanish. The program has been conducted in close coordination with D.C. government agencies and the Latino community. A total of 200 forms, brochures and pamphlets have been prepared permitting Spanish-speaking residents to complete documentation for access to hospitals and other city services. The office also has the capability to provide translation services upon request.

Cuban Refugee Social Services Program: Coordinated the Social Services component of the D.C. State Program for Cuban Refugees.

1(b) The overall goal of the Office during FY'82 has been to fully implement its mandate and ensure that a full range of services have been available to all Latino residents in the District of Columbia. The problems affecting the Latino residents of the District of Columbia are many, but they are not unique. This office has dealt with them as they affect this group within the overall context of the city. The specific goals during the past year have been the following:

- Establishing and staffing of the office.
- Develop better understanding by D.C. Government agencies of problems and needs of Latino residents in the District of Columbia.
- Improve the economic situation of Latino business.
- Establish better understanding between Latino Blacks and other minority groups. Develop a sense of awareness and involvement in the community.
- Increase the number of Latinos working in the media and improve the number and quality of media programs for Hispanics.
- Establish mechanisms to make Latinos aware of tenants rights and responsibilities, and increase their accessibility to housing opportunities.
- Implementation of a comprehensive translation program.

QUESTION:
2. In the revised budget document on page 62 the schedule shows no fringe benefits in the request column but the total column shows an increase of $4,100 in that line. Please explain?

ANSWER:
2. The FY'82 Revised Request column is incorrect in that the fringe benefits were inadvertently omitted in the final version of the document. This column should have included 4.1 for fringe benefits for the two positions requested.

SUBCOMMITTEE RECESS

Senator D'AMATO. The subcommittee will now recess.

[Whereupon, at 3:20 p.m., Tuesday, June 9, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1982

THURSDAY, JUNE 11, 1981

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:30 a.m., in room 1114, Everett McKinley Dirksen Senate Office Building, Hon. Alfonse D'Amato (chairman) presiding.

Present: Senator D'Amato.

DISTRICT OF COLUMBIA

STATEMENTS OF:

MARION BARRY, JR., MAYOR

ARRINGTON DIXON, CHAIRMAN, COUNCIL OF THE DISTRICT OF COLUMBIA

GLADYS W. MACK, ASSISTANT CITY ADMINISTRATOR FOR BUDGET AND RESOURCE DEVELOPMENT

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. The subcommittee will come to order.

Mayor Barry, how are you?

Mayor BARRY. Fine, Mr. Chairman.

Senator D'AMATO. Is Mr. Dixon here?

Mr. DIXON. Yes.

Senator D'AMATO. At the outset, let me indicate to you that I was detained, unfortunately. Part of the reason is that today we moved into my office. Take note of that. I found out that it is in room 432, Russell, and I had to find that out from the guards. Heretofore I have been housed in the basement, on the first floor, another office on the second floor, and now we would expect that the efficiency of my staff will be enhanced immeasurably, Mr. Mayor, and I look forward to greater contact, closer contact and communication as a result of the increased efficiency my staff will have in not having to work out of the basement.

I apologize for the inconvenience to all of you for being late.

The Subcommittee on the District of Columbia today holds its final hearings on the fiscal 1982 budget estimates of the city government. This morning we will hear from the top leadership of the District, and this afternoon we will hear testimony from many citizens and interest groups within the District of Columbia.

It is a pleasure for me to welcome Mayor Marion Barry and Council Chairman Arrington Dixon to the subcommittee. To date we have heard from many departments and agencies who direct the daily operations of the city's offices. I found them to be competent, resourceful, and dedicated individuals.

The city is coming through a difficult financial time. Many unprecedented and unpopular steps have been required and you ought to be commended for attempting to complement in a very forthright way the dedication to a balanced budget in this fiscal year and also meeting those needs of your constituency.

I believe that you, Mayor Barry, and you, Chairman Dixon, have statements, after which Ms. Mack will speak briefly about the budget.

Let me also indicate to you I read with interest or heard with interest Chief Turner's suggestions to the crime problem and the rash of criminal activity and violent crimes in terms of all of our citizens. This becomes a great problem. I was encouraged by those means that he advocated as a deterrent in terms of quick and certain punishment as the answer to recidivism and drug-induced crime and juvenile crimes.

Mayor Barry, if you would like to proceed with your statement, and anyone else who might have a statement, we are delighted to have you here.

STATEMENT OF MAYOR MARION BARRY

Mayor BARRY. Thank you, Mr. Chairman.

I am pleased to have the opportunity to discuss with you today the District's fiscal year 1982 budget.

Before we get into the formal part of the testimony, I am just surprised that the Republican leadership of the Senate would treat our Senator like that and keep you in the basement. So I am glad you are moving up and continue to move up so you can represent the great State of New York.

We would like to thank you, Mr. Chairman, for your staunch support of our supplemental process, and your support of the $4.6 million in Federal payment for fiscal year 1981. As you know, we were able to work out an understanding with OMB where they would offer no opposition to your support of the $4.6 million Federal payment. That was very important to us.

For the first time in history, as you know, we have had the full authorized amount appropriated for the Federal payment. The $4.6 million may not seem like a lot of money to a lot of people when you are talking about billions in the Congress, but certainly to the District of Columbia citizens every dollar means a lot.

I look forward to our continuing to work together, trying to do all we can to make our government as efficient and effective as possible and deliver the services the way all of us would desire.

The budget before you as well as the amendment now pending in the Council are vital to maintaining the financial integrity of the District and the quality of our services.

BALANCED BUDGET

Mr. Chairman, it is important to note that, as you know, prior to this administration, the District's budgets had never seriously been balanced. They were out of balance. That provides for a major part of our deficit.

This administration, including all of our fine staff people, such as the directors and department heads, have gotten our 1981 budget into balance. Mr. Rogers, our city administrator, has assured me that we are going to keep it in balance in 1981. And the 1982 budget is in balance. We think it is significant that for the first time in the last 10 or 15 years the Mayor of this city can unequivocally make that statement about our budget.

As you indicated in your opening statement, in order to bring it into balance, it took some unprecedented and unpopular decisions, and in some instances decisions temporarily politically damaging to me. But I figure it is my responsibility as the holder of the public's trust to make those decisions in light of the politically damaging effect they might have. We don't want to get ourselves to a point where we face an unbalanced budget, payless paydays, face schools being closed because the city is out of money or it has not adequately managed its money. I am just happy to make that report to you and the citizens.

Also, it is clear that in the face of service delivery, with costs rising at a rate which exceeds that of new income, it is not clear that we can continue to buy the same range and level of service that many residents have come to expect. I think we have to make some difficult decisions as to what our priorities are.

We have a population which is about 100,000 less in 1981 than it was in 1971. We have decreasing school enrollment. We have to address these kinds of concerns.

REDUCTION IN THE NUMBER OF EMPLOYEES

But we have been able to, in the last 21 months, reduce the number of employees—exclusive of District of Columbia public school employees—by over 18 percent. I don't think any other jurisdiction can say that they have been able to do that without a major disruption of services, or without a noticeable decrease in services that our citizens are getting.

What is happening is that our employees are more efficient now; our systems are working better. We have had productivity improvements. We have secured the services of experts in the field of financial management to try to make these changes.

I don't think any citizen can say that they are now receiving any less basic services than they were receiving prior to this reduction.

REVENUE VERSUS EXPENDITURE GROWTH

But again, the issue that is facing all of us is with an expenditure growth of anywhere between 11 and 15 percent, and a revenue growth of 5 to 6 percent, what do we do to bring our budgets into balance?

As you know, our taxes are among the highest in the land, so we are just struggling to make things work. Our 1982 budget is an example of that struggle. We have had fine cooperation from the City Council, the Chairman of the Council, who has tried in all instances to be helpful. Even when there have been disagreements, we have been able to work them out.

I think the school budget situation is an example of what we did with the 1982 budget, where we were able to work out a compromise of an additional $10 million to the 1982 school budget above what I had sent to the Council. We did it in a spirit of togetherness and reality.

NEED TO KEEP THE BUDGET BALANCED

Another point I can make that is not in my statement, Mr. Chairman, is that the Congress has recognized the need to keep our budget balanced. Certainly you have recognized that need to keep our budget balanced. That is, if we give to another agency, it has to be taken from some agency. You can't give and give and give and not take and take. We need to maintain that spirit in 1982. As you know, before your tenure here, the Congress would add money to the budget, add appropriation authority to the budget, without any knowledge of where the money was going to come from. I want to commend you, Mr. Chairman, for continuing to make sure that our budget is in balance and the Congress doesn't contribute to the imbalance of the budget.

The Council has realized that. It has been awfully painful for them because each council member has a project that he or she wants to fund. It is easy to say, "Let's put it in." Thanks to Chairman Dixon's philosophy that you can't add unless you take from somewhere, or unless you increase taxes, the city government together is working to maintain a balanced budget. We urge the Congress, this committee, to continue that approach so we can keep our budgets balanced.

FISCAL YEAR 1982 BUDGET REQUEST

The budget before you is a $1.513 billion budget. It is a 5.2-percent increase over the congressionally adopted 1981 budget. The budget before you is a statement of the priorities of those who reside in the District of Columbia, expressed through their elected officials.

This budget, when taken in concert with our actions to increase revenue, reduce waste and duplication, pay off $184 million of the accumulated deficit through the sale of municipal bonds, and improve our financial management, serves as the centerpiece of our plan for the efficient and effective management of the District over the next fiscal year.

Mr. Chairman, I am committed to presenting and maintaining a balanced budget. I am also committed to serving the needs of the citizens and meeting the District's responsibilities as the Nation's Capital.

Mr. Chairman, there are so many of our citizens who need the government. They have no other resource except the resource of our government. These are the poor. These are those without income or without help, the senior citizens, and others.

IMPROVEMENTS MADE BY THE ADMINISTRATION

Some of the improvements we have made are outstanding—in housing, economic development, and financial management. We have in production over 6,000 new, renovated housing units—more than any other period in 2½ years—compared to about 1,500 units, as Mr. Moore testified, in the last 8 years. We have asked our employees to continue to improve their courtesy and responsiveness as they answer telephone calls, as people come in to see them, because we think it is important that the public gets good service.

We have also moved into some very difficult areas, like trying to take care of our water bill problem. Our water meter replacement program is moving ahead. We think we are going to increase our revenues by $3.5 million because of the efficiency.

I am committed to a name billing system for water bill collection, which would improve the collection rate by 5 percent and give us an additional $2 million.

We are looking at a vehicle maintenance program.

We are contracting out the collection of ambulance service fees, which is expected to double the annual rate of collections.

We could go on and on about the good things we are trying to do. That does not mean we don't have problems. It does not mean that we are not going to have to face some difficult times ahead, particularly with the Federal Government reducing its Federal contribution to the city government.

We are in the process now of doing an analysis of what we will lose with a reduction in the Federal programs. We would like to share that with the committee at the appropriate time so you can see the impact of the Federal reductions on the service delivery to our city. It is going to hurt. It is going to be painful. Those persons who need help the most are sometimes not going to get it because of these reductions. I don't like that, but again, that is the national direction.

So we have come a long way, Mr. Chairman, from this time a year ago. A new accounting system, plus our vigorous efforts to bring accounting practices into line, has brought us a wealth of newly organized information. So we have accomplished a tremendous job of retraining agency personnel, analyzing problems, and instituting management reforms to install accountability for cost control.

Also, Mr. Chairman, at the same time, like other cities, we were hit by a tidal wave of inflation and nondiscretionary costs that outran by millions of dollars our 2-year-old estimates in the budget.

LENGTH OF BUDGET PROCESS

As you know, Mr. Chairman, our budget process is over 18 months long—too long for any manager, any mayor, or any city council chair to make good decisions.

Mr. Dorne has done a study for me which indicates that in the surrounding suburban jurisdictions it takes an average of 4 to 6 months at the most from the time the executive starts the budget to the time it is approved by the council. We wish we could do that in our budget process because it is very difficult to predict 18 months in advance what it is that you need money for and what programs are necessary.

MANDATORY PROGRAMS

Then there are mandatory programs that are growing at a rate above the inflation rate. One of those programs is medicaid, which has grown at an average of 20 percent per year. Even though 50 percent of that is reimbursement in Federal funds, 50 percent is from the District fund. It still means major growth and money.

The other problem we are facing, Mr. Chairman, which we are going to have to face, is the pension problem. It is out of control in the sense that the unfunded liability is very easily over $2.7 billion as of 1980, and it is growing and growing and growing. The District and the Congress have to come to grips with that situation, which we will talk about a little bit later.

Also, Mr. Chairman, as we look at our budget, we find that the majority of our expenditures are not subject to governmental control. Court actions, citizen pressures, and traditional patterns of service delivery mitigate against substantial and immediate budget adjustments.

Within the 63 percent of the budget that is described as discretionary, personal services costs are 48 percent. So the budget you have before you represents our best thinking. It represents some major priorities of this administration.

In the area of basic economic development, we need more jobs in our city. We think housing is a serious problem. We are almost at a crisis in the sense that the average cost of a house is $90,000. A number of tenants are paying more than 25 percent of their income to rent. So we are working to try to help tenants purchase their buildings with the home purchase assistance program and the building and housing site purchase program.

We are also doing all we can to help our senior citizens, and therefore you find an increase in the Office on Aging because we think the twilight years of one's life ought to be the best years of one's life, not the worst years of one's life. Therefore, our senior citizens, the 100,000 or so who live in our city, need our help. We are trying to provide it.

UNFUNDED PENSION AND PAY RAISE COSTS

Mr. Chairman, finally, there are two items that are not fully funded in the 1982 budget. I think it is perfectly clear that the 1982 budget has about $16.8 million for salary increases. This is about a 2-percent increase. As you know, under the new merit personnel bill, we have to negotiate with our labor unions, and those negotiations are going on.

Senator D'AMATO. Excuse me. That constituted a 2-percent increase?

Mayor BARRY. About a 2-percent increase. We are negotiating with our labor unions. We think we have a tentative agreement with our police union. We are waiting to see how it holds up. But the likelihood of us getting a 2-percent increase is unlikely. The District of Columbia government workers are faced with the same inflationary pressures as everybody else. They have to buy food, pay rent, and pay mortgages. Our position is that once we come to a final settlement with our unions and our nonunionized employees, we will submit a supplemental budget for any additional cost-of-living increases. But we will keep the budget balanced.

Other jurisdictions' budgets do not underlie the scrutiny of half a dozen entities, such as citizens, the Council, agencies, the President, and OMB. Other cities and counties can manage to put some moneys in various places that they can shift around after negotiations are finished. If we put $60 million in the pay pot, you can rest assured the union is going to ask for $60 million.

Once the negotiations are over I will submit to the Council and then to the Congress a supplemental 1982 budget to take care of the pay raise costs. We also have only included one-quarter of the pension payments in the budget. We are desirous and the Senate has already passed the increased Federal payment authorization of $36 million for 1982. It is my understanding that it is going to come up on the floor of the House in the next 8 to 10 days.

We included in the fiscal year 1982 budget amendment sent to the Council, a resolution, which I understand is getting favorable reception which says that if the $36 million is approved, $14.6 million is required to complete pension requirements and the balance or $22 million will be used to supplement pay increases. I think this is a good way to go.

So we need the additional $36 million appropriated in 1982. It may be approved before this subcommittee marks up, or before the House marks up. If so, the subcommittee could then approve the additional pension and pay increase funds in the 1982 budget amendment which is now before the Council. We think we have met all the legal obligations of the law as to the pension requirements.

We have met the legal obligation to our employees and we intend to keep those commitments because we want to do all we can to meet the legal requirements. At the same time there are tremendous fiscal pressures on us. If we had included the $14.6 million for pensions in our 1982 budget amendment, it would have meant a reduction in welfare payments, a reduction in street lights, a reduction in medicaid, a reduction in educational services, and a reduction in the number of areas that we think we should not reduce.

So we are aware of our commitments. We are prepared to keep them. On the other hand, we think we have an approach where the city government can operate efficiently and effectively and help our people the most, and at the same time, make sure the pension situation is solved.

A final point on the pension problem, Mr. Chairman. Let me just say that there is no immediate danger to those pensioners who are receiving checks now. The funds we are talking about are additional funds for the pay-as-you-go liability. It is additional to the $52 million from the Federal Government. So the pensioners will get their pension checks and are not in danger.

I think this is worth saying for the record because those persons worked too hard and too long to now be led to believe that all of a sudden nobody is going to send them their checks.

Again, I thank the chairman and the staff for the tremendous support you have given us. Even if there are disagreements, we have been able to work through them and I really appreciate that approach from the chairman of the committee.

Again, I thank you very much for this opportunity and with me is Ms. Gladys Mack, assistant city administrator for budget and resource development; our city administrator, Elijah Rogers; and financial advisor and counselor, Phil Dearborn. They are able to answer questions that you will have.

Thank you, Mr. Chairman. I will submit my statement for the record.

PREPARED STATEMENTS OF MAYOR BARRY AND COUNCIL CHAIRMAN DIXON

Senator D'AMATO. Thank you, Mr. Mayor.

Mr. DIXON. Mr. Chairman, I have a brief statement which I will submit for the record.

[The statements follow:]

STATEMENT OF MARION BARRY, JR.

I AM PLEASED TO HAVE THE OPPORTUNITY TO DISCUSS WITH YOU TODAY THE DISTRICT'S FISCAL YEAR 1982 BUDGET.

LET ME BEGIN BY THANKING YOU AGAIN MR. CHAIRMAN FOR YOUR INVALUABLE ASSISTANCE AND SUPPORT IN HELPING US SECURE THE ADDITIONAL $4.6 MILLION IN FEDERAL PAYMENT FOR FY 1981. THOSE FUNDS ARE SORELY NEEDED. I LOOK FORWARD TO WORKING WITH SOMEONE WHO HAS HAD PERSONAL EXPERIENCE IN THE OPERATIONS OF A LOCAL GOVERNMENT; AND I AM CONFIDENT THAT THE WORKING RELATIONSHIP WILL BE A GOOD ONE FOR THE DISTRICT. THE BUDGET BEFORE YOU AS WELL AS THE AMENDMENT NOW PENDING IN THE COUNCIL ARE VITAL TO MAINTAINING THE FINANCIAL INTEGRITY OF THE DISTRICT AND THE QUALITY OF OUR SERVICES.

MR. CHAIRMAN, IT IS IMPORTANT TO NOTE THAT THE D.C. GOVERNMENT CONTINUES TO EXAMINE AND PUT BEFORE ITS CITIZENS IMPORTANT QUESTIONS CONCERNING THE LEVEL OF AND SCOPE OF SERVICES WE CAN AFFORD TO PROVIDE. IN THE FACE OF SERVICE DELIVERY COSTS RISING AT A RATE WHICH EXCEEDS THAT OF NEW REVENUE, IT IS NOT CLEAR THAT WE CAN CONTINUE TO PROVIDE THE RANGE AND LEVEL OF SERVICE THAT MANY RESIDENTS HAVE COME TO EXPECT. TO ADDRESS THESE COSTS WE HAVE REDUCED THE NUMBER OF EMPLOYEES (EXCLUSIVE OF D.C. PUBLIC SCHOOL EMPLOYEES) BY OVER 18 PERCENT IN THE LAST 21 MONTHS. WE HAVE IMPLEMENTED PRODUCTIVITY IMPROVEMENTS, AND SECURED THE SERVICES OF EXPERTS IN THE FIELD OF FINANCIAL MANAGEMENT. STILL THE ISSUE OF PROVIDING NEEDS IN AN ENVIRONMENT OF SHRINKING RESOURCES IS ONE WHICH WILL BE OF KEY IMPORTANCE AS WE BEGIN CITIZEN'S REVIEW OF OUR FY 1983 BUDGET.

THE PROPOSED FY 1982 APPROPRIATED OPERATING BUDGET REQUEST FOR THE GENERAL FUND TOTALS $1.513 BILLION, A 5.2 PERCENT INCREASE OVER THE CONGRESSIONALLY ADOPTED FY 1981 BUDGET. THE BUDGET BEFORE YOU IS A STATEMENT OF THE PRIORITIES OF THOSE WHO RESIDE IN THE DISTRICT OF COLUMBIA, AS EXPRESSED THROUGH THEIR ELECTED REPRESENTATIVES. THIS BUDGET, WHEN TAKEN IN CONCERT WITH OUR ACTIONS TO INCREASE REVENUE, REDUCE WASTE AND DUPLICATION, PAY OFF $184 MILLION OF THE ACCUMULATED DEFICIT THROUGH THE SALE OF MUNICIPAL BONDS, AND IMPROVE OUR FINANCIAL MANAGEMENT, SERVES AS THE CENTERPIECE OF OUR PLAN FOR THE EFFICIENT AND EFFECTIVE MANAGEMENT OF THE DISTRICT OVER THE NEXT FISCAL YEAR. I AM COMMITTED TO PRESENTING AND MAINTAINING BALANCED BUDGETS. I AM ALSO COMMITTED TO SERVING THE NEEDS OF THE CITIZENS AND MEETING THE DISTRICT'S RESPONSIBILITIES AS THE NATION'S CAPITAL.

MAJOR MANAGEMENT AND OPERATING SYSTEMS HAVE BEEN IMPROVED. SOME OF THE IMPROVEMENTS ARE TANGIBLE AND VISIBLE SUCH AS HOUSING, ECONOMIC DEVELOPMENT, AND FINANCIAL MANAGEMENT. OTHERS SUCH AS IMPROVED COURTESY AND RESPONSIVENESS OF DISTRICT EMPLOYEES ARE INTANGIBLE BUT VITAL TO A WELL RUN GOVERNMENT. IN THE AREA OF PRODUCTIVITY IMPROVEMENTS WE HAVE ALSO MADE SUBSTANTIAL PROGRESS . WE HAVE SEVERAL PROJECTS IN VARIOUS STAGES OF IMPLEMENTATION IN FY 1981. EXAMPLES OF CURRENT PROJECTS ARE:

- THE WATER METER REPLACEMENT PROGRAM, WHICH IS EXPECTED TO INCREASE REVENUES TO THE WATER AND SEWER FUND BY $3.5 MILLION;

- A "NAME" BILLING SYSTEM FOR WATER BILL COLLECTION WHICH SHOULD IMPROVE THE COLLECTION RATE BY 5 PERCENT AND INCREASE REVENUE BY $2 MILLION;

- A VEHICLE MAINTENANCE PROGRAM WHICH IDENTIFIES WORK STANDARDS, IMPROVES INVENTORY AND SCHEDULING SYSTEMS AND IS PROJECTED TO SAVE $1.28 MILLION; AND

- CONTRACTING OUT THE COLLECTION OF AMBULANCE SERVICE FEES WHICH IS EXPECTED TO DOUBLE THE ANNUAL RATE OF COLLECTIONS.

THERE ARE ALSO A NUMBER OF PROJECTS PROPOSED FOR NEXT FISCAL YEAR WHICH ARE ESTIMATED TO SAVE OR INCREASE REVENUE BY A TOTAL OF $18.5 MILLION. THESE SAVINGS ARE IN ADDITION TO OTHER COST SAVINGS METHODS WE HAVE INSTITUTED SUCH AS REDUCTIONS IN THE WORK FORCE AND THE IMPLEMENTATION OF USER FEES.

WE HAVE COME A LONG WAY SINCE ONLY ONE YEAR AGO. THE INSTALLATION OF OUR NEW ACCOUNTING SYSTEM, PLUS OUR VIGOROUS EFFORTS TO BRING BUDGETING AND ACCOUNTING PRACTICES IN LINE WITH ACCEPTABLE AUDIT STANDARDS, HAVE BROUGHT US A WEALTH OF NEWLY ORGANIZED INFORMATION AND CHANGES IN COST AND LIABILITY ESTIMATES. OUR MONITORING THROUGHOUT FY 1980 REVEALED THE NEED FOR CHANGE AFTER CHANGE IN TRADITIONAL APPROACHES. WE ACCOMPLISHED A TREMENDOUS JOB OF RETRAINING AGENCY PERSONNEL, ANALYZING PROBLEMS, AND INSTITUTING MANAGEMENT REFORMS TO INSTALL ACCOUNTABILITY FOR COST CONTROL.

AT THE SAME TIME, LIKE ALL CITIES, WE WERE HIT BY A TIDAL WAVE OF INFLATION AND NONDISCRETIONARY COSTS THAT OUTRAN BY MILLIONS OF DOLLARS OUR TWO-YEAR-OLD ESTIMATES IN THE BUDGET, WE HAVE CLOSED THE BOOKS FOREVER ON THE KIND

OF FINANCIAL MISMANAGEMENT WHICH ALLOWED GOVERNMENT RECORDS TO BE MAINTAINED IN A CONDITION WHICH COULD NOT BE AUDITED. CLEARLY WE HAVE ENTERED INTO AN ERA WHERE WE KNOW WITH PRECISION WHAT OUR FINANCIAL OBLIGATIONS ARE.

AS STATED EARLIER, IT IS DOUBTFUL THAT THE DISTRICT CAN CONTINUE TO PROVIDE THE CURRENT LEVEL AND MIX OF SERVICES IF COSTS CONTINUE TO OUTSTRIP RESOURCES. CONSEQUENTLY WE HAVE MADE EFFORTS TO REDUCE EXPENDITURES. THESE EFFORTS BY NECESSITY TOUCHED ALL SERVICE AREAS. THERE ARE, HOWEVER, MANY MANDATORY PROGRAMS THAT ARE GROWING AT OR ABOVE THE INFLATION RATE AND ARE NOT READILY SUBJECT TO COST CONTROLS. FOR EXAMPLE, THE DOLLAR INCREASE OF $75 MILLION IN THE BUDGET IS ALMOST EVENLY MATCHED BY THE $74 MILLION GROWTH IN NONDISCRETIONARY EXPENDITURES.

THAT MEANS THAT ALL OTHER GROWTH IN THE BUDGET IS OFFSET BY REDUCTIONS IN OTHER PROGRAMS OR SERVICES. IN MANY CASES, DEPARTMENTS WERE FORCED TO IDENTIFY NEW WAYS OF PROVIDING SERVICES. IN NEARLY EVERY INSTANCE, DEPARTMENTS WERE FACED WITH REDUCTIONS IN AUTHORITY, REDUCTIONS IN EMPLOYMENT AND REDIRECTIONS. THIS WAS NECESSARY SO THAT FUNDS COULD BE FREED UP FOR INFLATIONARY INCREASES IN SUPPLIES, MATERIALS, ENERGY AND NON-PERSONNEL COSTS AND, IN SOME CASES NONDISCRETIONARY COSTS.

THE GENERAL FUND BUDGET CONSISTS OF MANY PROGRAMS WHERE COSTS ARE OF A RELATIVELY FIXED NATURE OR PROGRAMS THAT ARE HIGHLY INFLATION-SENSITIVE. SUCH COSTS ARE NEARLY ALWAYS TIED TO STATUTES SETTING OUT PROVISION FOR PAYMENTS. THESE PROGRAMS HAVE BEEN LABELED NONDISCRETIONARY EXPENDITURES WITHIN THE DISTRICT"S BUDGET.

THEY INCLUDE NO PERSONNEL FUNDING FOR DISTRICT EMPLOYEES, INSTEAD THEY INCLUDE INCOME TRANSFERS, INCOME MAINTENANCE PENSION, SUBSIDY, AND DEBT RETIREMENT COSTS. IT SHOULD BE NOTED THAT THEY REPRESENT MORE THAN 37 PERCENT OF THE TOTAL GENERAL FUND BUDGET, AND THAT THE PERCENT OF GROWTH IS SIGNIFICANTLY GREATER THAT THE GROWTH IN THE OVERALL BUDGET.

IT SHOULD ALSO BE NOTED THAT THE BALANCE OF EXPENDITURES, THE 63 PERCENT THAT IS CONSIDERED DISCRETIONARY SPENDING, IS NOT TOTALLY SUBJECT TO GOVERNMENTAL CONTROL. THE INFLUENCE OF COURT ACTIONS, CITIZENS PRESSURES

AND TRADITIONAL PATTERNS OF SERVICE DELIVERY MITIGATE AGAINST SUBSTANTIAL AND IMMEDIATE BUDGET ADJUSTMENTS.

WITHIN THE 63 PERCENT OF SPENDING IDENTIFIED AS DISCRETIONARY, PERSONAL SERVICES COSTS ARE 48 PERCENT. THIS INCLUDES PERSONNEL FOR ALL PROGRAMS AND SERVICES INCLUDING PUBLIC SAFETY, HUMAN SERVICES, TRANSPORTATION, ENVIRONMENTAL SERVICES, GENERAL GOVERNMENT, AND ECONOMIC DEVELOPMENT.

ALL OTHER COSTS OF GOODS AND SERVICES ARE ONLY 15 PERCENT OF THE GENERAL FUND BUDGET. THIS FRACTION INCLUDES FACILITY MAINTENANCE, SUPPLIES, FOOD, MEDICINE, OFFICE RENTAL, ETC.

THE BUDGET PROPOSED FOR FY 1982 CONTAINS APPROXIMATELY $1.1 MILLION FOR EXPANSION OF THE OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT. THESE FUNDS WILL BE UTILIZED TO UPGRADE THE ECONOMIC DEVELOPMENT EFFORTS OF THE CITY WHILE PROMOTING TOURISM, BUSINESS RETENTION AND NEW INVESTMENTS. MAJOR PROJECTS TO RECEIVE PRIORITY ATTENTION ARE THE DOWNTOWN RETAIL CORE, D.C. WATERFRONT COMMERICAL DEVELOPMENT, THE NEW YORK AVENUE CORRIDOR LIGHT INDUSTRY PARK, AND THE CAPITAL GATEWAY PROJECT. BUSINESS DEVELOPMENT PROJECTS LIKE THESE ARE NECESSARY TO KEEP THE DISTRICT VIABLE.

IN THE AREA OF HOUSING AND COMMUNITY DEVELOPMENT WE ARE SEEKING FUNDS TO CARRY FORTH THE HIGHLY SUCCESSFUL TENANT PURCHASE ASSISTANCE PROGRAM, THE HOME PURCHASE ASSISTANCE PROGRAM, AND THE BUILDING AND HOUSING SITE PURCHASE PROGRAM. THESE PROGRAMS WILL HELP US TO MEET OUR COMMITMENT TO PROVIDE ADDITIONAL AFFORDABLE HOUSING THROUGH CONSTRUCTIONS AS WELL AS REHABILITATION. SOME 6,000 PRIVATE UNITS AND 2,200 PUBLIC HOUSING UNITS WILL BE MADE AVAILABLE THROUGH THESE PROGRAMS.

AS PART OF MY COMMITMENT TO THE ELDERLY, IT IS PROPOSED THAT THE OFFICE ON AGING RECEIVE $3.8 MILLION IN FY 1982. THIS IS AN INCREASE OF 53% OVER THE FY 1981 BUDGET, MAKING IT POSSIBLE TO REACH AN ADDITIONAL 2,000 ELDERLY RESIDENTS WITH INFORMATION, REFERRAL AND ADVOCACY SERVICES. THESE SERVICES ENABLE THE ELDERLY TO MAINTAIN INDEPENDENT LIVING IN THEIR OWN HOMES FOR AS LONG AS POSSIBLE. THESE FUNDS WILL ALSO PROVIDE SKILLED AND INTERMEDIATE NURSING CARE FOR 275 RESIDENTS, AND EXPAND THE SERVICES OF THE NEW WASHINGTON CENTER FOR AGING.

THERE ARE SEVERAL AREAS IN THIS BUDGET WHERE WE ARE REDUCING EXPENDITURES WITHOUT SEVERELY REDUCING SERVICE, THE DEPARTMENTS OF RECREATION AND ENVIRONMENTAL SERVICES ARE EXAMPLES. IN THE RECREATION DEPARTMENT, $2 MILLION WAS REMOVED THROUGH A REDUCTION IN ADMINISTRATIVE STAFF AND OTHER MANAGEMENT INITIATIVES. THIS REDUCTION RESULTED IN A MODERATE DECREASE IN THE NUMBER OF PROGRAMS AND NO REDUCTIONS IN CENTERS. SWIMMING POOLS WILL BE CLOSED ONCE A WEEK DURING THE SUMMER AND STAFFING WILL BE REDUCED SOMEWHAT, BUT THE OPERATION OF RECREATION CENTERS, SWIMMING POOLS AND SPECIAL PROGRAMS FOR THE HANDICAPPED WILL NOT BE JEOPARDIZED. IN ENVIRONMENTAL SERVICES THE GRADUAL CONVERSION OF THE OUTER RING OF THE CITY TO "SUPERCAN" AND ONCE A WEEK COLLECTION WILL ALSO PRODUCE SUBSTANTIAL SAVINGS.

ANOTHER MAJOR COMPONENT OF THE BUDGET IS A PLAN TO PAYOFF $184 MILLION OF THE ACCUMULATED DEFICIT THROUGH LONG TERM BORROWING. IT IS ANTICIPATED THAT $10 MILLION WILL BE NECESSARY IN FY 1982 TO REPAY SUCH A BORROWING.

ONLY $16.8 MILLION IS INCLUDED IN THIS BUDGET TO PAY COST OF LIVING SALARY INCREASES FOR EMPLOYEES. THIS IS NOT ENOUGH TO COVER THAT EXPENCE. HOWEVER, FOR THE FIRST TIME MOST DISTRICT EMPLOYEES WILL BE ABLE TO BARBAIN COLLECTIVELY ON COMPENSATON. TO PRESERVE THE INTEGRITY OF THE COLLECTIVE BARGAINING PROCESS, PART OF THE $36.6 ADDITIONAL FEDERAL PAYMENT AUTHORIZATION WILL BE USED TO FUND THIS COST. IT IS MY PLAN TO FUND A PORTION OF THE CONTRIBUTION REQUIRED UNDER THE RETIREMENT REFORM ACT FROM THIS $36.6 ALSO.

THE DISTRICT'S CAPITAL PROJECTS FUNDS BUDGET OF $172 MILLION WHICH SUPPORTS ALL GENERAL FUND PROGRAMS IS EXPENDED TO INCREASE BY 4.4 PERCENT. THIS BUDGET REQUEST IS DOMINATED BY EXPENDITURE NEEDS FOR METRORAIL, STREET AND BRIDGE IMROVEMENTS,AND PUBLIC HOUSING WHICH MAKE UP TWO-THIRDS OF THE TOTAL REQUEST.

THE WATER AND SEWER ENTERPRISE FUND SHOWS A 26 PERCENT INCREASE IN OPERATING FUNDS FOR FISCAL YEAR 1982 AND SUBSTANTIAL EXPENDITURES FOR CAPITAL IMPROVEMENTS FOR FISCAL YEARS 1981 AND 1982. THIS IS DUE TO A VIGOROUS PROGRAM TO MAINTAIN THE INFRASTRUCTURE AND IMPROVE THE LEVEL OF SEWAGE TREATMENT AS REQUIRED BY THE ENVIRONMENTAL PROTECTION AGENCY.

ESTABLISHMENT OF A FUND WAS RECOMMENDED BY THE DISTRICT'S INDEPENDENT AUDITORS FOR CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

GENERALLY, JURISDICTIONS ESTABLISH A SEPARATE AUTHORITY ALTOGETHER. HOWEVER, PUBLIC ACCOUNTABILITY FOR WATER/SEWER OPERATIONS CAN BE ATTAINED THROUGH A SEPARATE FUND, WHERE CITIZENS CAN CLEARLY SEE WHAT THE EXPENDITURES ARE AND REASONS FOR ANY RATE INCREASES WHICY MAY BE NECESSARY. A SEPARATE FUND ALSO RECOGNIZES THE ENTERPRISE NATURE OF WATER AND SEWER OPERATIONS: THAT, IS, THE NEED FOR THOSE OPERATIONS TO BE SELF-SUPPORTING.

WATER AND SEWER RATES ARE PROPOSED TO INCREASE BY 30 PERCENT TO KEEP THESE OPERATIONS ON A SELF SUSTAINING BASIS. THE RATE NCREASE IS NECESSITATED BY INCREASED DEBT SERVICE ASSOCIATED WITH SIGNIFICANT CAPITAL EXPANSION, THE RATE INCREASE IS NECESSITATED BY INCREASED DEBT SERVICE ASSOCIATED WITH SIGNIFICANT CAPITAL EXPANSION, REPAIR AND MAINTENANCE COSTS, AS WELL AS INFLATIONARY INCREASES IN OPERATING EXPENSES. IT SHOULD PROVIDE $18 MILLION IN ADDED REVENUES. A RATE STUDY, FUNDED IN FY 1981, WILL PROVIDE A RATE STRUCTURE FOR THE INCREASE.

THE CONVENTION CENTER ENTERPRISE FUND SHOWS EXPENDITURES PREDICATED ON THE BEGINNING OF CENTER OPERATIONS IN FISCAL YEAR 1982. CONSTRUCTION FOR THE CENTER IS PROCEEDING: ITS OPERATION IS ANTICIPATED TO ADD SIGNIFICANTLY TO DOWNTOWN REVITALIZATION AND IMPROVE EMPLOYMENT CONDITIONS FOR DISTRICT RESIDENTS IN SKILL AREAS HARD HIT BY FEW EMPLOYMENT OPPORTUNITIES.

THESE ARE THE HIGHLIGHTS OF THE FY 1982 BUDGETS. I URGE YOUR SUPPORT OF LOCAL PRIORITIES AND NEEDS AS EXPRESSED BY THIS BUDGET AND THE AMENDMENT CURRENTLY BEFORE THE COUNCIL. YOU MAY REST ASSURED THAT I WILL CONTINUE IN MY EFFORTS TO IMPROVE OVERALL MANAGEMENT OF THIS GOVERNMENT'S OPERATIONS, AND THAT WE WILL STRIVE TO MEET ALL OF OUR OBLIGATIONS. THIS INCLUDES MAKING MANDATED PAYMENTS TO THE RETIREMENT FUNDS.

RECEIPT OF THE FULL $336 MILLION IN FEDERAL PAYMENT IS VITAL TO THE DISTRICT. THESE FUNDS ARE AN INTEGRAL PART OF THE PLAN I HAVE OUTLINED FOR YOU. IT IS MY SINCERE HOPE THAT DURING THIS SESSION OF CONGRESS A MECHANISM FOR THE DETERMINATION OF A PREDICTABLE AND EQUITABLE FORMULA-BASED FEDERAL PAYMENT WILL BE FORTHCOMING. THIS WOULD AID ALL OF US IN OUR FISCAL PLANNING IN FUTURE YEARS.

THIS COMPLETES MY PRESENTATION. I WILL BE GLAD TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.

STATEMENT OF ARRINGTON DIXON

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I AM ARRINGTON DIXON, CHAIRMAN OF THE COUNCIL OF THE DISTRICT OF COLUMBIA. I AM HAPPY TO HAVE THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY IN SUPPORT OF THE DISTRICT OF COLUMBIA'S FISCAL YEAR 1982 BUDGET REQUEST. I AM ACCOMPANIED BY MR. STEPHEN REICHENBERG, BUDGET DIRECTOR TO THE COUNCIL.

AS CHAIRMAN OF THE COUNCIL OF THE DISTRICT OF COLUMBIA, I APPEAR BEFORE YOU TODAY TO VOICE THE FULL SUPPORT OF THE COUNCIL FOR THIS BUDGET REQUEST AND PARTICULARLY FOR THE CITY'S REQUEST FOR A FULL FEDERAL PAYMENT. A FULLY FUNDED FIXED FORMULA PAYMENT IS A NECESSARY PREDICATE FOR THE DISTRICT TO BALANCE REVENUES WITH CONTEMPLATED EXPENDITURES. IT IS ALSO AN ESSENTIAL STEP TO EFFECTIVE LONG RANGE FINANCIAL AND PROGRAMMATIC PLANNING.

THE SENATE HAS APPROVED AN INCREASED AUTHORIZATION LEVEL OF $336,600,00 FOR THE FEDERAL PAYMENT. THIS LEVEL OF PAYMENT WOULD BE A BEGINNING TOWARD AN ADEQUATE FEDERAL PAYMENT FOR THE DISTRICT OF COLUMBIA. I WANT TO THANK THE MEMBERS OF THIS COMMITTEE FOR THEIR SUPPORT OF THAT LEGISLATION.

A NUMBER OF MONTHS AGO, THE COUNCIL OF THE DISTRICT OF COLUMBIA THROUGH ITS STANDING COMMITTEES, THOROUGHLY REVIEWED THE BUDGET PROPOSALS BEFORE YOU. AT THAT TIME, THE COUNCIL APPROVED $1,513,255,700 FOR THE GENERAL FUND, $172,006,500 FOR CAPITAL OUTLAY, AND A TOTAL OF $133,899,200 IN THE WATER AND SEWER AND WASHINGTON CONVENTION CENTER ENTERPRISE FUNDS.

WHILE REVIEWING THE BUDGET, WE FOCUSED OUR ATTENTION ON WHAT WE CONSIDERED TO BE PRIORITY AREAS. THE MOST FREQUENTLY RAISED ISSUE WAS THAT OF EDUCATION. AFTER SEVERAL DAYS OF ALLOWING THE PUBLIC TO SPEAK TO THIS CONCERN, THE COUNCIL ADDED AN ADDITIONAL $10,000,000 FOR PUBLIC SCHOOLS.

ANOTHER AREA OF ATTENTION WAS THAT OF OVERSPENDING, PARTICULARLY IN THE DEPARTMENT OF HUMAN SERVICE AND THE DEPARTMENT OF CORRECTIONS. THE CONCERN HERE WAS THAT THERE WAS THE POTENTIAL FOR UNDERFUNDING IN THESE AGENCIES' BUDGETS UNLESS SAVINGS WERE ACCOMPLISHED IN FISCAL YEAR 1981.

IN ADDITION, THE MAYOR'S REQUEST DID NOT ADDRESS THE NEED FOR FUNDS FOR A PAY RAISE. THE COUNCIL WAS OF THE OPINION THAT THESE MONIES WERE NEEDED, PARTICULARLY IN LIGHT OF THE LITIGATION BETWEEN THE UNIONS AND THE MAYOR THAT IS IN PROGRESS. THEREFORE, WE ADDED $16,000,000 TO ADDRESS THIS NEED.

TH COUNCIL ALSO APPROVED A MARK OF $10,000,000 IN THE REPAYMENT OF THE DEFICIT.

SINCE THEN, THE CITY HAS COMPLETED ITS AUDIT FOR FISCAL YEAR 1980 AND HAS A BETTER UNDERSTANDING OF ITS FISCAL HEALTH. THE REQUEST BEFORE YOU NOW, IS AUSTERE, GIVEN THE COMPLICATED STATE OF FINANCIAL AFFAIRS IN THE DISTRICT OF COLUMBIA. THE COUNCIL SUPPORTS IT, ALTHOUGH ADJUSTMENTS WILL HAVE TO BE MADE. IN FACT, THE COUNCIL HAS BEFORE IT NOW, THE FISCAL YEAR 1982 BUDGET AMENDMENT WHICH WE WILL BE CONSIDERING IN THE NEXT FEW DAYS.

MR. CHAIRMAN, I WANT TO REEMPHASIZE THE CRITICAL ROLE THAT APPROPRIATION OF THE ENTIRE AUTHORIZED AMOUNT OF THE FEDERAL PAYMENT WILL PLAY IN THE ADEQUATE FINANCING OF THE FISCAL YEAR 1982 BUDGET. WE NEED THE FULL FEDERAL PAYMENT. AT THE SAME TIME, I WANT TO URGE THAT THIS SUBCOMMITTEE SERIOUSLY ADDRESS AND ENDORSE THE RECOMMENDATION OF AN ADVANCED COMMITMENT OF THE FEDERAL PAYMENT FOR FISCAL YEAR 1983. THIS ADVANCED FUNDING APPROACH WILL AID THE DISTRICT IN ITS FISCAL PLANNING AND ALSO MOVE US ONE MORE STEP FORWARD TO A FIXED FORMULA PAYMENT.

IN CONCLUSION MR. CHAIRMAN, THE COUNCIL ASKS THAT YOU AND THE MEMBERS OF THE SUBCOMMITTEE ACT FAVORABLY ON THE FISCAL YEAR 1982 BUDGET REQUEST. THANK YOU FOR THIS OPPORTUNITY TO VOICE OUR SUPPORT AND PRESENT CONCERNS ABOUT THE FISCAL DIRECTION OF THE DISTRICT OF COLUMBIA.

MY STAFF AND I ARE AVAILABLE TO DISCUSS WITH YOU AND YOUR STAFF FURTHER DETAILS.

REMARKS OF COUNCIL CHAIRMAN ARRINGTON DIXON

Mr. DIXON. I will just summarize a few points.

First, I would indicate that I am joined by our budget director, Stephen Reichenberg, who has been with us now for quite a while and has been working closely with your staff. We appreciate that cooperation; I would also add that even though I am very high on my native town of Washington, D.C.; because of the wisdom of my ways I have brought in Mr. Reichenberg from New York, your fine State, and I am beginning to get a number of New Yorkers around me because we feel that there is a lot to be learned.

Senator D'AMATO. You have experience in past fiscal problems in this city?

Mr. DIXON. Yes, he has; in fact, he worked with New York's school board budget for a while when he was in that area and also served on the Council of Governments here in the area of economic research and budget matters.

So we are drawing upon talent in our city and also from across the country. I want you to know that we do have a little problem in the office that I will cite. We are beginning to see a lot of "I Love New York" buttons around and I am happy to have curtailed a little of that. We don't want the folks to get the wrong idea.

Senator D'AMATO. I had one for the Mayor today. [Laughter.]

COUNCIL'S SUPPORT OF BUDGET

Mr. DIXON. As you know, I am chairman of the Council and I am here to voice my full support and the Council's full support for the budget request that is being presented.

We are also very, very appreciative of the work that has been done by you and the staff in supporting our $4.6 million Federal payment that is very critical as the Mayor has pointed out to us already.

Also, I want to point out that the Council hopes that you and others will be supportive of the $36 million Federal payment and that that would be decided soon for that is important for our future planning and if possible, we would like to get support for a fixed figure so that the city in the future can make plans and be programmatically in line and be able to manage our affairs more predictably than we have in the past.

ADDITIONAL FUNDS FOR DISTRICT OF COLUMBIA PUBLIC SCHOOLS

I am also concerned as the Mayor has pointed out that we have folks in the Council in disagreement on the whole education issue. The Mayor mentioned through cooperation we were able to put back in $10 million in this particular budget action and even in this amendment before us the Council saw fit to have additional resources for education for our young people.

Senator D'AMATO. As you will recall, your school board was in and there was testimony that there would be a number of days in which the schools would be closed. There will be a furlough in various personnel. The furlough would take place of personnel prior to the actual academic days, during the initial days, and the local planning days. Is that still part of the plan; $8 or $10 million called for?

Mr. DIXON. The Council put the $10 million in working with the executive branch. There was an understanding, though verbal, not a legislative one, though it was reflected in our bill, our action, that they would put these resources into the classroom which meant basically eliminate or try to mitigate as much as possible any reduction in force in terms of teachers. The school board has indicated, as you know, that they feel they still have to, unless they show there is total agreement across the board on that.

But that is their view and they are closer to it than we are.

Senator D'AMATO. Do you have an agreement with the Mayor?

Mayor BARRY. Mr. Chairman, we worked it out in our budget office. It is awfully difficult to get the kind of cooperation we need from the school board. It is very, very difficult. We finally had a meeting with them about 2 or 3 weeks ago. It took 3 months to get them to meet. The school board does not face up to the budget problems early enough. We think there has been sort of letting things go on and on until the last minute. We have urged them to face up to the reality as I have. I don't know precisely what they wanted to do with the 1981 budget that indicates maybe a furlough plan, but it seems to me that they ought to be required, as I am, and as the chairman of the Council is, to look at a balanced budget, and to make those decisions early enough so that everybody can go on without it being disruptive for our young people.

I am also disturbed that that is not happening—1982 is fast coming upon us. Again, I think the interest has been on getting more money as opposed to an approach of certainly trying to get more but also trying to plan with that which they have if they don't get any more.

Senator D'AMATO. Would it be fair to then assume that you are concerned with the area of fiscal stability in the school district that you have not gotten the proper signals or those signals which suggest that they have a realization of the problems that lay ahead in fiscal 1982? Is that a fair summary of what your feelings are in that area?

SPECIAL PUBLIC SCHOOLS' TASK FORCE

Mayor BARRY. So that we would be better informed, Mr. Chairman, I have established a special task group and Ms. Mack is chair along with Ed Winner, formerly the assistant superintendent of planning and management at the schools, who works for us; Bob Boyle, formerly comptroller at the schools, who works for DHS now; Dwight Cropp, formerly executive secretary at the school board; and Patricia Minor, formerly executive secretary, both of whom work for me now, look at the numbers, look at the problems, and see if we can't agree on the numbers.

I think the numbers are exaggerated.

Senator D'AMATO. Let me suggest to you that this subcommittee is most anxious to be cooperative in an effort to help you help this city and its agencies move toward an area where we can look forward to balancing the budget. Why? Because we see in that the only opportunity to be able to reasonably deal with the problems that your administration and indeed the people of the city will be faced with.

So a balanced budget becomes priority No. 1.

Failing the effort to achieve that balance, if we allow the deficits that can very easily be projected and be seen by so many after carefully scrutinizing all the departments, if we allow that to take place why, then, the opportunity for a government to be able to run in the manner in which it could and should and the people have a right to expect, particularly the people of the District of Columbia, it will never come about.

GETTING GAO TO LOOK AT PUBLIC SCHOOLS

So to the extent that we can aid in expressing our concern to the school district, the school board, I ask you to call upon us as a resource. I believe that the General Accounting Office could also be brought into play.

I think that we have a unique opportunity to utilize an agency that has shown probably the highest degree of proficiency in terms of forecasting, predicting, monitoring, and the setup for just such a purpose that is oblivious as it should be, to political pressures, and it has a degree of credibility.

So I would suggest most respectfully we could communicate with GAO in terms of setting up a relationship between the city, between your administration, between the Council and the executive area with the school board so that there can be no situation where our role might be construed as interference. This has traditionally been in local government a problem. How do you balance out the needs for fiscal responsibility and quality education and also to avoid the need for those who so easily charge the politicians to get involved in an area that we all recognize should be rather free from political influence to the extent that we generally think about politics.

So I think it may be that is a resource that you should utilize. I suggest it to you. We could call on GAO. I suggest that maybe we would have Gladys Mack or whoever you might designate to undertake that. We will let them know.

Mr. DIXON. Mr. Chairman, I would want to point out, one, that the Council has had very extensive hearings and productive ones with the school board during the amendment process of this year or just the last few weeks. We also had several meetings with the full school board and I think that those meetings have been productive. I think we will have to test the polling to see what their numbers are like, but we have had that kind of communication.

I would also want to respectfully indicate that I think the resources available to the Congress, to the Senate, to you, sir, are immense compared to ours, but I would want to be cautious about recommending any broader outside intervention though I think there are some concerns that we have about the data we receive from the school system on occasion.

We also realize that we have no line item review of their budget which creates a very difficult problem for the Mayor and the Council.

AGAINST HAVING GAO LOOK AT PUBLIC SCHOOLS

Mayor BARRY. On the educational point, I would just make it clear that all of us in the city government feel very strongly about the education of our young people, that we personally support public education, we support the group in public education, we want our young people to graduate from our public schools, and be able to read, write, count, articulate, and to survive. As to any statement that I might have made about the difficulty of trying to get the numbers, get them to sit down and face their responsibility is in no way an indication of any lack of support for public education.

I feel so strongly on that.

Senator D'AMATO. Let me just suggest that if GAO can be used as a resource, I suggest that we take advantage of that. No. 1, I only made my comment in response to what seemed to me to be an area of concern on your part.

I will tell you that I think the school board people in their testimony indicated to us the seriousness at which they view the total picture. And I was most interested in whether or not they thought they could legally effectuate the proposed furlough of personnel.

They had indicated to me that they were in process of reviewing this. But I would think that possible resource, method of forecasting what the school districts financial situation brings in should be undertaken in any event by GAO, along with your own people, and also as kind of the outside impartial arbitrant, if you do have that problem of coming to a final agreement.

Mayor BARRY. Would you give us an opportunity to sort of discuss that among ourselves?

Senator D'AMATO. Certainly.

Mayor BARRY. We will give you our views. I share the concern with the chairman of the Council. We ought to find a way to get people to face up to their responsibility without necessarily having other factors in force. The thing that bothers me, Mr. Chairman, is that when we are in a situation where you have enrollment, where you have a tight budget situation, I think you have to be rather scrutinizing of all your actions on a daily basis, and what disturbs me is the fact that the school board knows of these problems.

We have been trying to do an analysis since October 1. We think they probably hired 300 people. I don't understand why you bring people on when you have a tight budget situation, create a crisis, and lay them off. I don't understand it.

Senator D'AMATO. Mr. Mayor, if that is the case I would far prefer to see the kind of management at this point in time that might preclude—I am not talking about disciplinary matters—but that might preclude harsher actions further out. So if that is the case, there are legitimate questions that concern some of the hiring practices, then I think that we do both the school district, school board, and the administration people justice by bringing in the services of GAO to make an analysis. Indeed, that analysis may well come out and say there was a need for *x* number of people in this particular area, or it may say that possibly this was not in the best judgment given the financial crisis.

We can deal with crises in here. We are trying to close a $184 million budget gap so to speak or put ourselves in the position to go out with the 184 million dollars' worth of bonding authority to close the deficit.

Let me ask you, if I might, several questions.

Mayor BARRY. Let me make a point for the record. I think our difficulty is that the school administration, both Mr. Reed and Dr. Guines, has come forth with proposals to at least address these problems. In each instance, most instances they run into difficulty of getting the majority of the board to make a decision.

So this ought to be pointed out, too, that the administration, both superintendents have come forth with option papers to address this problem. We don't always, Mrs. Mack doesn't agree sometimes with the numbers, but again, they have brought forth some proposals.

Senator D'AMATO. The problem is, you are faced with a plethora of board decisions. It is difficult to get even responsible board members and public officials to opt for which of the least damaging, understanding that we talk about cutbacks, and all of them are viewed as damaging and counterproductive by many of the people who have the responsibility for seeing to it that they are on track for the proper educational opportunities for environment, for learning because if we don't have that what chance will the young people, so many of them coming from poor backgrounds, sociologically deprived, have?

It is for many the last opportunity. So recognizing that, if you have a sincere and dedicated board, this would be a natural inclination to almost hope that the problem goes away, and so you don't get that speedy kind of decision, and I think it is rather understandable given the complexities.

COUNCIL OPPOSED TO HAVING GAO COME IN

Mr. DIXON. If I could make two or three more points, Mr. Chairman, and I want to yield. First, I want to indicate the school board has established that special task force which you might be aware of that has a broad constituency that might help us deal with the problem now.

Second, the Council's Committee on Education is one chaired by an ex-school board member who, I believe, has a good relationship with the Council, the Mayor, and the school board, which I hope will help us move through this problem. The additional resources you mentioned, certainly I would, as I have indicated, have some concern about greater Federal involvement in any matters of the city.

COUNCIL'S CONCERN OVER UNFUNDED PENSION AND PAY RAISE FUNDING

Two or three points: One of those points is the concern with the pension program. There is in the Council some mixed concerns about the position that the pension board has taken, concerns that they do have a very legitimate fiduciary issue they raise and we are working with them and the executive branch and the Federal Government to try to help resolve that, because we have, we must have a commitment to our retired people to make sure that they do, in fact, get what they were promised.

We also must, I think, signal our employees that we are going to protect their vested interest in their pensions for the future and the retirement.

The other concern I would point to is the deficit problem that the Council did put in $10 million in the budget, in the budget you are looking at to deal with the deficit, if in fact we are granted bonding authority which is needed.

We are concerned still in working with the Executive through very, very, I think, important oversight functions the whole concern of overspending, which we feel is in check and looking to have a meeting—in fact, Friday—to begin to look at the actual effectiveness of the Mayor and the executive branch in keeping the agencies in check in terms of their spending.

The pay rate issue, as you might note, the Mayor indicated $16.8 million was put in the budget for that. That was done as a result of some deliberation within the Council and some efforts to support the Mayor on negotiations.

PREPARED STATEMENT OF BUDGET DIRECTOR GLADYS MACK

Senator D'AMATO. Let me, if I might, first of all note that we have the statement of Gladys W. Mack, Assistant City Administrator for Budget and Resource Development, and I am going to ask that it be put into the record in its entirety, as if read.

[The statement follows:]

Statement of Gladys W. Mack

I HAVE THE PLEASURE OF PRESENTING FOR YOUR CONSIDERATION THE PLANS FOR FINANCING THE PROPOSED BUDGET FOR FISCAL YEAR 1982. THEY ARE SUBMITTED TO THE SUBCOMMITTEE WITH THE FISCAL YEAR 1982 BUDGET IN FULFILLMENT OF A CHARTER PROVISION REQUIRING THE DISTRICT TO APPROVE A BUDGET THAT STRIKES A BALANCE BETWEEN PROJECTED EXPENDITURES AND ANTICIPATED REVENUES. THE FINANCIAL PLANS BEFORE YOU SATISFY THIS REQUIREMENT.

GENERAL FUND

THE GENERAL FUND FINANCIAL PLAN FORECASTS GENERAL FUND FISCAL YEAR 1982 APPROPRIATED EXPENDITURE REQUIREMENTS AT $1,519,856, COMPARED WITH TOTAL REVENUES OF $1,522,584, LEAVING A PROJECTED SURPLUS OF $2,728,000 AT THE END OF THE YEAR. THE WATER AND SEWER ENTERPRISE FUND FINANCIAL PLAN FORECASTS BOTH EXPENDITURE NEEDS AND REVENUES AT $103,532,000. THE FINANCIAL PLAN FOR THE CONVENTION CENTER ENTERPRISE FUND SHOWS $6,111,000 IN EXPECTED REVENUES AND $5,175,000 IN EXPENDITURES, LEAVING A FISCAL YEAR 1982 CONTRIBUTION TO THE FUND BALANCE OF $936,000.

CONTINUING THE POLICY ESTABLISHED WHEN WE SUBMITTED OUR AMENDED FISCAL YEAR 1981 APPROPRIATION REQUEST, OUR BUDGET IS BALANCED ON AN ACCRUAL BASIS; THE BUDGET AUTHORITY REQUESTED FOR FISCAL YEAR 1982 IS FULLY FINANCED BY ESTIMATED FISCAL YEAR 1982 REVENUES RECOGNIZED ON AN ACCRUAL BASIS WHERE REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. FOR THE FISCAL YEAR 1982 BUDGET REQUEST, HOWEVER, WE HAVE CHANGED THE FORMATS OF OUR FINANCIAL PLANS SIGNIFICANTLY. THE GENERAL FUND FINANCIAL PLAN IS PRESENTED SEPARATELY AND INCLUDES ALL SOURCES OF FINANCING. IN ADDITION TO REVENUES FINANCING THE APPROPRIATION AND THE APPROPRIATION REQUEST, GRANTS AND OTHER REIMBURSEMENTS AND RELATED SPENDING AUTHORITY ARE SHOWN AS IS THE FISCAL YEAR 1982 GROSS OBLIGATION BUDGET. THE DETAILS OF REVENUES AND EXPENDITURES BY APPROPRIATION TITLE ARE DISPLAYED IN THE SAME FORM USED IN OUR YEAR-END FINANCIAL REPORTS SO THAT BOTH THE BUDGET AND THE FINANCIAL STATEMENTS WILL BE EASIER TO FOLLOW.

UNDER THE SEPARATE FINANCIAL PLAN FOR THE CAPITAL PROJECT FUND ADDITIONAL BUDGET AUTHORITY FOR CAPITAL OUTLAY OF $122,134,000 IS INCLUDED AS AN EXPENDITURE WITH U.S. TREASURY LONG-TERM DEBT PROCEEDS SHOWN AS THE FINANCING SOURCE. THE APPROPRIATED $52,070,000 FEDERAL CONTRIBUTION TO THE RETIREMENT TRUST FUNDS IS SHOWN AS A REVENUE TO THESE FUNDS WITH NO ASSOCIATED FISCAL YEAR EXPENDITURES SINCE THE CONTRIBUTION IS DESIGNED TO REDUCE THE UNFUNDED PENSION LIABILITY.

THE PROJECTED GENERAL FUND EXPENDITURES INCLUDE $6.6 MILLION IN ESTIMATED EXPENDITURES UNDER PERMANENTLY AUTHORIZED PAYMENT OF COURT JUDGMENTS AND OBLIGATIONS INCURRED PRIOR TO FISCAL YEAR 1980. GENERAL FUND APPROPRIATED EXPENDITURES NEEDS ARE FINANCED CHIEFLY FROM LOCAL REVENUE SOURCES WHICH MAKE UP $1,203.7 MILLION OR 79 PERCENT OF TOTAL REVENUE FINANCING THE APPROPRIATIONS. THE FEDERAL PAYMENT USED TO FINANCE THE GENERAL FUND EXPENDITURES NEEDS IS THE AUTHORIZED $300 MILLION. REVENUE-SHARING REVENUE IS EXPECTED TO BE ONLY THE LOCAL SHARE OF $18.9 MILLION.

AN AMENDED FISCAL YEAR 1982 BUDGET REQUEST IS CURRENTLY UNDER REVIEW BY THE DISTRICT COUNCIL. WE EXPECT THAT THIS AMENDMENT WILL BE SUBMITTED TO THE CONGRESS SHORTLY.

WATER AND SEWER ENTERPRISE FUND

THE WATER AND SEWER ENTERPRISE FUND FISCAL YEAR 1982 OPERATING EXPENDITURES AND DEBT SERVICE WILL BE FINANCED BY $85.6 MILLION IN CURRENT AUTHORITY REVENUES AND A RATE INCREASE FOR THE UPCOMING FISCAL YEAR TO REDUCE THE POTENTIAL FUND OPERATING LOSS. THE REQUEST FOR A RATE INCREASE WILL BE SUBMITTED TO THE DISTRICT COUNCIL IN EARLY JULY.

THE FINANCIAL PLAN FOR THE WATER AND SEWER FUND DIFFERS FROM PAST PRESENTATIONS BECAUSE OF AN EFFORT TO ADAPT THE ENTERPRISE BUDGET TO ENTERPRISE ACCOUNTING REQUIREMENTS. TYPICALLY, GOVERNMENTAL ENTERPRISES DO NOT HAVE FORMAL BUDGETS AND APPROPRIATIONS. REVIEW AND CONTROL OF THEIR EXPENDITURES ARE ACCOMPLISHED BY ESTABLISHING GUIDELINES WITHIN A FLEXIBLE BUDGET DEVELOPED FOR PLANNING AND MANAGEMENT RATHER THAT FOR MONITORING OBSERVANCE OF LEGAL SPENDING LIMITS. PERIODIC REPORTS ARE MADE AGAINST THIS BUDGET, AND FURTHER OUTSIDE FINANCIAL REVIEW OCCURS WHEN RATES ARE ADJUSTED OR BONDS ARE ISSUED. WE ARE DEVELOPING A PROPOSAL AND PROCEDURES TO ACHIEVE THIS MORE NORMAL PRACTICE FOR MANAGING A UTILITY ENTERPRISE AND WILL BE FORWARDING OUR RECOMMENDATIONS LATER THIS FISCAL YEAR.

CONVENTION CENTER ENTERPRISE FUND

THE CONVENTION CENTER ENTERPRISE FUND FINANCIAL PLAN IS PRESENTED SEPARATELY BECAUSE OF THE UNIQUE OPERATION OF THAT ENTERPRISE. SINCE SITE ACQUISITION COSTS ARE BEING FINANCED BY TAX REVENUES, IT IS IMPORTANT TO ACCOUNT FOR AND BUDGET THE ACCUMULATION OF THESE EXCESS TAX REVENUES IN THE FUND BALANCE. THIS PRESENTATION FACILITATES UNDERSTANDING AND MONITORING OF TRANSFERS OUT OF THIS FUND BALANCE TO REPAY SHORT-TERM LOANS INCURRED IN ACQUIRING THE LAND. BY THE END OF FISCAL YEAR 1982 WE EXPECT TO HAVE REPAID ALL BUT $206,000 OF THE PRINCIPAL COSTS ASSOCIATED WITH THE $21.4 MILLION CONVENTION CENTER SITE ACQUISITION.

I APPRECIATE THIS OPPORTUNITY TO TESTIFY ON THE FINANCIAL PLANS AND WOULD BE PLEASED TO RESPOND TO ANY QUESTIONS YOU MAY HAVE ON THESE MATTERS.

CHAIRMAN'S CONCERN REGARDING PENSION FUNDING

Senator D'AMATO. Because I think it is a rather important area which you touched on and which I think is absolutely so important maybe for the purposes of this hearing the easiest thing to do is not to mention, put it aside. The fact of the matter is that many of the other things are pale in comparison in relationship to the significance of this problem. The problem as I see it is with an $18 million budget gap.

Stating it no other way, I can refine that. I might be able to put that in nicer terms. I might not but practically speaking we have the problem in terms of the payment of the $10 million which would be set aside for pensions. I know that the city has proposed that from the $52 million that the Federal Government makes available, that $18 million comes forth to bridge the gap, so to speak, for this year's pension payment, that $18 million which the pension board has a legal obligation to see that it is paid.

I recognize it hasn't been proposed, but that is a possibility, something that you are thinking about. I understand that. I am not even going to go into what reaction on the Hill might be in regard to that. I don't think that it will be sympathetic. I just share that with you. I think that there would be a feeling that this is legally a situation that OMB would not be sympathetic.

That is a guesstimate on my part. However, based upon some experience that I have had with them, with their counsel, I think that their counsel might strongly object to that borrowing of the $18 million so to speak for this purpose.

That is one.

Second, I don't mean to throw cold water on anyone's budget. But we have got this problem of $18 million. It is a problem. I think the sooner we begin to recognize that and develop a contingency program and really it shouldn't even be a contingency program, but an operation to deal with it the more successful we will be in overcoming this problem.

I would like to try to aid in overcoming it. I don't intend to try to come in and run a council or run the executive or run anything else. We have got enough trouble trying to run my little office upstairs with a meager staff and allowance that is provided and meet my other responsibilities. But I would be less than responsible if I didn't indicate to you that it seems to me that a contingency plan, there must be provision made to deal with that problem of the $18 million. You focused on it. You brought it up. I think you have in a very statesmanlike way brought it up and yet not overdramatize it. I don't try to overdramatize it. But it is serious. It is there.

It is not going to go away. To suggest that we are making it up from other funds, I think isn't going to be practical. What will take place is the financial community will view it as a situation with a balanced budget, that it is not achieved, that indeed there is a deficit for that year. In light of the fact that I know you are committed, I know that you want to achieve that goal of balanced budget, then I say that we have to do more in this direction.

We have got to eliminate that. We have got to demonstrate to the financial community that it is not a shell game, but that it really is a balanced budget that will come up. Please do not take as a characterization what I think is a very sincere conscientious effort on the part of all of those who brought this budget dealing with all of the problems that you have—when I say shell game, I want to avoid the appearance of that taking place because so much significant work has gone in, so much improvement has taken place. I wouldn't want to see that kind of exposure that the city, with all of its efforts and all of the sacrifices be perceived as not being creditable in its budget process.

Mr. DIXON. Mr. Chairman, the Council has already initiated efforts to address the very concern that you cite. The Council being done, clearly with cooperation of the executive branch, but we have already begun to do that. We are aware of some of the things that you have clearly stated and also inferred and we are going to do this, the amendment process that we have before us, to try to address this problem that you raise about the pension gap as it has been referred to.

Thank you very much, Mr. Chairman, for my opportunity to speak. Thank you very much.

Mayor BARRY. Mr. Chairman, let me try to put the pension situation in perspective. It is my understanding, that Ms. Mack, the Corporation Council of the city and the law firm engaged by the Retirement Board agree that the city has no legal obligation in 1981 to put $14.6 million in the pension fund. We have to be guided, it seems to me, by that legal interpretation.

The $5 million we agree on. That is, the early-out problem attributed to retiring teachers. Our 1982 budget amendment has that $5 million in it. It would be desirable to put everything in it that we wanted, but it seems that the city has met its legal obligation. It would have been great to have $14.6 million to fund the pension requirements, but if we took $14.6 million and put it into the pension fund then that would reduce the budget $13 million thereby reducing social service programs and other projects when we are not legally required.

We should end the debate about the legalities of it. Ms. Mack is in constant conversation with OMB. It is a complicated problem, as you very well pointed out. It is a new law. It was written in an era when we did not fully understand all the nuances of the pensions. It was written by the Congress, certainly suggesting input from the city. I think, as we find these nuances and these problems in the law we ought to try to make them work. We all have the same goal in mind: How do we make our pension fund more solvent because now it is not a solvent fund, as far as accounting and actuary methods are concerned. We have taken the 1982 budget, actuary studies and we know what the actuary says and that is what we intend to do.

I hope we could resolve this $14.6 million from the legal point of view.

Senator D'AMATO. I think, Mayor, in terms of that, an opinion from the counsel for the Pension Board will be paramount in this case. It would seem to me that OMB would not act in contravention to a legal interpretation by the Council or with the Board itself. That is an outstanding matter yet to be resolved.

So I would say I think the further discussion on it really will not be fruitful, except that that is an area of concern. I share your concern with it. I hope that will be successfully addressed. There is one other matter and there were a number of things obviously in the budget as complex and as large and as diverse. We could spend days and I would ask that our staff, which has developed a good rapport, I think, with your administration in continuing the dialog in terms of specific areas, department by department but let me ask you in terms of the exposure which the city faces and I really have great empathy for the city and the city administration in connection with that exposure which comes about as a result of the pay dispute where the city has made provisions—I believe it was 5 percent—and whereas the number of employees struck the 9.1-percent raise pursuant to the Federal plan.

IMPACT OF COURT CASE REGARDING PAY INCREASES

What is the possible exposure if in the event the city is not successful in that suit, in terms of dollars? Maybe, Gladys, you might be able to give me a number.

Ms. MACK. Yes. The estimate for the additional 4 percent is $29 million across the board.

Senator D'AMATO. We have made a note that we talked about that in the past. You have made some kind of contingency plan a part of that. Is that not the case?

Ms. MACK. We have made no provision for that, Senator. We would have to find the resource if we are faced with that liability.

Senator D'AMATO. I am not even going to go into the 2-percent provision pay raise for 1982. What does counsel say in respect to future liabilities that might result? Has your corporation counsel advised you that the city now would be in the position where they are no longer obligated? Have you taken the necessary actions to definitely and clearly break that relationship vis-a-vis the Federal wage and those employees who work for you so you are no longer running into that kind of situation in the future years, although the threat of the possible liability of the difference between that which you provide and that which comes by way of Federal rates?

Mayor BARRY. The Corporation Counsel has given me a strong opinion that the 1975 Home Rule Charter and the Merit Personnel Act, make it clear that it is at least equal to what people were making at the time with regard to the career service and we can't produce those benefits. Obviously, the employee unions dispute that position. The final arbiter of that would be in the courts. They are in court now arguing out the position.

The judge has heard these arguments. He will rule. Our view is that it was the intention of Congress in 1974 to give us the authority, the responsibility as other local governments have over personnel similar to the authority that Fairfax County, Prince Georges County, Montgomery County, New York City, or any other local jurisdiction has.

The final decision, Mr. Chairman, rests with the courts. We are going to fight as hard as we can to preserve that local home rule prerogative and it is in the Superior Court now. If we don't win it there, we are going to appeal and take it as far as we can legally to try to get that clarified.

If it was ruled that we are similar to the Federal Government, I guess my question is, Why then have an independent personnel system? Why not let it be like it used to be and which we oppose? So, that is where we are.

OPTION TO HAVE CONGRESS TO CHANGE LAW

Senator D'AMATO. Mayor, let me suggest possibly——

Mayor BARRY. Mr. Chairman, one other point, too, that we have another option. If it is decided that we are tied to that Federal system we think the Congress passed very clarifying legislation.

Senator D'AMATO. That is my next point, is that it would seem to me that proposed legislation dealing with the ambiguity that may still exist should be forthcoming in such a manner that this at least for the future can be avoided. Because if indeed the ruling of the court and the courts sustain the ruling against the position which the city has taken, why then there is no reason that future liability should continue. It would seem to me that the prudent course of action would be to get a declaration of the congressional intent in such a way as to voice future obligations.

Obviously, we can't pass ex post facto laws, laws which in fact have taken place and in fact cut off employee rights if, in fact, the courts rule they have these rights.

I do not believe, in my own opinion, that the District of Columbia or any other city should be tied to the kind of complainant schedules and obligations beyond their ability to fund and to control.

So, I am rather sympathetic to the plight which you find yourself. So, I would suggest that notwithstanding that the court has not made the ruling that possibly the city would prepare language in such a way to deal at this point at least what would be characterized as an ambiguity without yielding anything in terms of how you interpret the law in the past.

I think we will not prejudice your case, but certainly something should be done now because otherwise there is $29 million now. What will it be 3 or 4 years from now as this begins to total? The sooner that type of clarifying language can be taken, I think it assures that the District will not continue to chalk up liabilities or potential liabilities. I think it is something you should consider and I know that Congressman Dixon would look favorably upon introducing that kind of responsible legislation.

Mr. DIXON. If I might make two points. First of all, from the humanistic standpoint for our employees the Mayor has the authority for negotiation to put on the table many benefits. You and I know sometimes the salary benefit may be the least important given the tax rate that we suffer for whatever reason in this country and the city.

So, I think that ought to be understood, just because our numbers may be lower, as they are compared in the region there are things that could be put on the table that could be even more valuable to employees. At least that would be my hope. Second, as the person who chaired the committee that produced the personnel bill, the Mayor was on the committee, there was no lack of clarity, though there were arguments by the Council when it passed legislation as to the equal-to provision.

When it did lay over in Congress for 30 days, that was a clear part of the record, that there was no intent for us to be continually tied to the Federal pay scale.

CASELOAD REVIEW BY ELIGIBILITY INVESTIGATORS

Senator D'AMATO. Let me say we look forward in attempting to—I am not going to go in the bevy of questions that have been provided for me to ask of you today. I think we touched on some of the more significant ones. I know that yesterday, 2 days ago, it was reported in terms of my concern and we asked for a report in terms of the review provisions in the health and services area in terms of eligibility requirements that there be a report given to this subcommittee.

In terms of the progress of seeing the productivity by some of the investigators being improved and what steps would be taken. I am not going to ask you to comment specifically but I will ask you to loan your good offices to that. There has been obviously a marked improvement from the eligibility situation as it appeared some years ago, going from a 30-percent ineligible rate down to a level of 11.4 percent. But it seems that I think maybe there can be some greater emphasis in terms of the numbers of investigations that are handled by each of the investigators. I am not trying to make a sensational charge by any stretch of the imagination.

The figures indicate that they are handling 15, maybe 20 cases per month, and the minimum that is called for is 30. I think we have cause for saying, "Let's see what we can do to get productivity in that area and more representative level."

Mayor BARRY. May I comment on that?

Senator D'AMATO. Certainly.

Mayor BARRY. I was a little disturbed, Mr. Chairman, by what came out of that discussion in the sense that when I came in as Mayor in January 1979, the District had almost the highest error rate in the Nation, over 36 percent, 32 percent the first half of fiscal 1978. We are now down to 11.4 percent in the last half of fiscal 1980. The Michel amendment sets some targets of 16.2 percent by September 30, 1980, and 10.14 percent by September 30, 1981, and 4 percent by September 30, 1982.

I think as a matter of information flow the Bureau output determination as reported to me has some very specific targets for rate levels, GS-5's, 7's, 9's. They have different caseload targets.

As we get the information it will show that not only are those targets being met by those investigators, they have exceeded in a number of instances the targets. When I came to office, the average review time was over 12, 13, and 15 months. We are now down to a situation where each and every case has a 6-month review period. Moreover, they have discovered that most of the errors come in the first 3 months of a person coming on to the roles for aid to families with dependent children.

Those cases will be reviewed every 3 months.

Senator D'AMATO. Mr. Mayor, I am in no way attempting to say that we have not made substantial progress. I think it is a question maybe of semantics or nuances in terms of what is progress and what remains to be done reasonably, reasonably that can be ascertained and that can be undertaken.

Let me make several observations.

AUTOMATION OF PUBLIC ASSISTANCE CASES

I did not think that I would go forward with this in public dialog, but I will. The fact is that the system is one that is still manual and I understand there is a process of automation that is being considered for undertaking. I think it is important that automation in that area be undertaken so that those who are there working, those investigators, clerical have the tools to deal with this problem so that we can see to it that those who are truly needy and entitled have every opportunity so that the programs and the levels of support for the city and we are fighting for every dollar so that we can meet those needs, whether they are educational, whether they are public safety, will be met.

Two, it is important that we maximize those resources. But when we have situations where you have a recidivism for example people who come back into the system, who were found ineligible. Those from other jurisdictions who come to the District of Columbia, because the eligibility and protection processes do not provide for those who are found to be ineligible.

The question is, Have we prosecuted anybody for those kinds of violations in terms of eligibility? Our information to date is that no one has been prosecuted. That may be inaccurate. But that is what we hear. We have investigators who tell us anonymously, and I admit that, but the fact of the matter is that they have had people come back into the system within the same year two and three times, the same people who are found ineligible because there is no prosecution.

When you have a manual system, we don't have a system that is automated, we have a staff that should be up to 45, it is not up to 45, maybe these people cannot meet the minimum productive levels of 30 cases because they are operating under very difficult circumstances. What is the mental perspective of an investigator who goes out, who finds somebody once, who is ineligible, twice who is ineligible and maybe even three times during the same year?

After a while there is a period of frustration. That frustration level, I think many of us could understand, so consequently I don't bring this up as a matter, I have chaired this committee now for the past 6 months. I don't go out and make newspaper releases about those kinds of things that come to our attention. I try to call them to the appropriate people and in a low-key manner.

I do so here. I think it is something that needs attention. I think it is something we could successfully deal with. As you point out, we have made great progress and strides in terms of making a system that is more accountable, in terms of getting a review procedure, in terms of cutting down that time very significantly.

And I think that there is more that you can do, that can be done. I look forward to, in a cooperative effort, Mr. Mayor, in seeing that we can hopefully assist and work with you in this endeavor and not in an antagonistic way, but rather in a cooperative effort.

I know that you are struggling to find and to maximize all of the resources that you possibly can. If by so doing and improving this system you are able to save dollars, no matter how trivial we might think, maybe a quarter of a million, half a million, or whatever might come out of these savings, those are resources that may mean that there will be *x* number of police or fire or schoolteachers who will not have to be laid off or services curtailed. It is in that spirit that I make this suggestion and have asked that we get a report within 30 days in this area.

UNSUBSTANTIATED INFORMATION

Mayor BARRY. Mr. Chairman, let me just add I appreciate your interest in this matter. I was just urging us to be cautious about data which may come unsubstantiated. For instance, I happen to know that when I came to office, only about 40 percent of the primary caseload, parents or the guardians of young people, had social security numbers. They have them now.

Ninety-nine percent of all of those persons who are now on aid for family of dependent children have social security numbers. They are automated which means you can check one case to another. I think the question of prosecution probably is one of philosophy; that is, if the intent of this program is to insure that the young people whose parents either don't have enough income or their income is below or at the level that is the national standards, the question is of a mother or father going on to aid for family of dependent children, falsifies income and an investigator finds that that income has been falsified, the District government has paid that person, say, $4,000, $5,000——

Senator D'AMATO. If I may, Mr. Mayor, I am not asking you to make a defense of what I have already attempted to put into the record. Obviously, it is a situation in terms of the past has improved that is No. 1. Second, I would ask you do not attempt to characterize the chairman as being looking for those who commit fraud as opposed to those who are truly needy and deserving and who may even have some type of technical or marginal ineligibility, there is a vast distinction between the two.

I would suggest if you were to indicate, you would not be serious in indicating to me that in the past years there have not been those cases of fraud that legitimately should have been prosecuted because the people coming into the District from other jurisdictions, not reporting the wages that have been earned. I would suggest it is those cases that the chairman is talking about as opposed to those where the people are needy, people who are at the poverty level, people with young children, we are concerned to see that they have the wherewithal to sustain the quality of life that undeniably they are entitled to.

So I think therefore for us to pursue this line might not do what we both seek, justice, and we might lose the bigger target of dealing with the problems, dealing that we have in trying to develop the kinds of solutions that I believe that are within our capacity.

I would suggest maybe we turn to some other areas because you will find that the chairman has also been in the pits of local politics.

CONVENTION CENTER

With that, I would like to put into the record a concern that comes from Senator Weicker. He has asked me specifically to ask you these questions.

During the hearings held by this subcommittee last year, fiscal year 1981 appropriations, the Assistant City Administrator for Planning and Development stated that the Board had been appointed for the Convention Center which would determine policy on entertainment events such as rock concerts, individual sporting events such as high school basketball, and boxing matches. Has the Board made any decision to date regarding the Convention Center's policy on these events?

Mayor BARRY. Mr. Chairman, we can check with the Board but to my knowledge they have not.

Senator D'AMATO. They have not?

Mayor BARRY. To my knowledge. We can get back to you.

SUBMITTED QUESTIONS

Senator D'AMATO. Again, Senator Weicker has asked for this information. Can this subcommittee expect a firm policy to be established by the Board on those events which may conflict with the existing private facilities in the area? There is a question in terms of apparently certain representations that are made that the Convention Center would not conflict with any of its purposes such as rock concerts.

By the way, I will give you these questions, Mr. Mayor, so that you can respond for the record. I don't ask you to respond now, because you have obviously indicated that you are not aware of whether or not the Board has come forth with one. I would ask you whether or not you believe that that should be and then what is your position regarding this issue? Has your office afforded recommendations to the Board concerning these events? I would see to it that these questions are given to you now and if you would kindly address them for the record.

I know Senator Weicker would appreciate it.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR WEICKER

WASHINGTON CONVENTION CENTER

QUESTION:
1. During Hearings held by this Subcommittee last year for FY 81 Appropriations, Assistant City Administrator for Planning and Development James Gibson stated that the Board you appointed for the Convention Center would determine policy and entertainment events such as rock concerts and individual sporting events such as high school basketball events and boxing matches.

Has the Board made any decisions to date regarding the Convention Center's policy on these events?

Can this Subcommittee expect a firm policy to be established by the Board on those events which may conflict with existing private facilities in the area?

What is your position regarding this issue? Has your office forwarded recommendations to the Board concerning these events?

ANSWER:
1. On June 16, 1981, the Washington Convention Center adopted a proposed booking policy setting forth criteria and priorities regarding the use of the center. A copy of this proposed policy is attached. In essence, it provides that priority consideration will be given to major conventions and trade shows that bring in delegates from out of town because they provide the greatest overall economic benefit to the city in terms of expenditures that contribute to the expansion of local jobs and tax revenues.

Other types of events, including local public shows, may be permitted to the extent that the space is available and the sponsor is willing to bear the cost of any special facilities required. However, any such local show may not reserve space in the Center more than 18 months in advance.

The basis for the booking policies is set forth in the authorizing legislation for the management of the Center (D.C. Law 3-36) approved by the D. C. Council in September, 1979. While reiterating the primary purpose of the Center as being to attract out-of-town visitors, that Act also provided in Section 2d that the Center would "provide shows and exhibitions, including, but not limited to, civic and community events and gatherings, athletic and cultural events, entertainment, and other such activities as may be in the interest of the citizens of the District of Columbia".

As stated recently in a letter to the Chairman of the Senate Appropriations Subcommittee on the District of Columbia on May 18, 1981, "the District remains committed to its objective of using the Center primarily to attract out-of-town delegates to conventions, exhibits and major shows, but also does not wish to preclude the use of the building for local meetings, ceremonies, and other appropriate events". (See attached letter.)

June 16, 1981

PROPOSED BOOKING POLICY FOR THE WASHINGTON CONVENTION CENTER

The Washington, D.C. Convention Center is a facility designed to show-case large international and national conventions, trade shows and meetings which currently cannot meet in Washington D.C.

The Washington Convention Center is under the day-to-day direction of a General Manager who is responsible to a five-person Convention Center Board, which was established by the City Council with the passage of the Washington Convention Center Management Act of 1979 (D.C. Law 3-36).

GENERAL OBJECTIVES

The Convention Center's key objective is to serve as a generator of convention dollars brought into this community by convention delegates and exhibitors. The direct spending and re-spending of these dollars results in an expansion of the local economy and tax base, and justifies these policies relating to the establishment of priorities in the Center's booking policy.

The Washington Convention Center was specifically designed for conventions, large meetings, trade shows and other flat-floor exhibit events. The Washington Convention Center was not specifically designed, nor is it equipped to show-case concerts, theater-style events nor sports events. However, the facility has the capability of being temporarily converted to handle these kinds of events, provided the particular promoter is willing to cover the costs for these temporary conversions.

RESPONSIBILITY FOR BOOKING

The Washington Convention & Visitors Association, by virtue of its affiliation with the International Association of Convention and Visitors Bureau and the exchange of information within that Association relative to the needs and requirements of the potential users of the facility, possesses a unique capability to serve as the liaison between the customer and the community in terms of convention sales, promotion, housing, registration, planning and other related services. Therefore, the Washington Convention & Visitors Association is hereby designated as the official convention sales organization representing the Center. With the consent of the Board of Directors of the Washington Convention Center, the Convention and Visitors Association will have the right to reserve all facilities in the Convention Center (with the exception of that area designated for retail sales) beyond an 18 month period.

When requested, or deemed necessary, representatives of the Convention Center staff will be available to join in specific marketing efforts with the Washington Convention and Visitor Association.

As the sales organization for conventions and trade shows, the Washington Convention & Visitors Association shall: control the master advance booking calendar, which shall be maintained in the Convention Association office. However, to better coordinate the Association's and the Center's combined efforts, and to assure the elimination of double booking, a duplicate set of booking calendars shall be maintained in the Convention Center's office. In carrying out this function, the Washington Convention & Visitors Association shall have the right to make the Center available, including reservation of dates, the committing of specific areas in the facility, and the quoting of current rental rates. Final rates will be confirmed at the time of contract signing.

Requests for reservation of dates from the Washington Convention & Visitors Association must be submitted in writing, identifying in detail - overall dates and areas required. This letter will be addressed to the General Manager and will not be considered a commitment until acknowledged by the Convention Center General Manager in writing.

Although the Washington Convention & Visitors Association will have control over any bookings more than 18 months in advance, within any such 18 month period the Convention Center management will be responsible for booking those areas of the facility not previously committed. In scheduling events within such an 18 month period, however, the Convention Center General Manager will consider various factors such as, crowd control, compatibility of events and the like, prior to agreeing to lease the unused portions of the facility.

CRITERIA FOR BOOKING

When booking the Convention Center, consideration will be given by both the Washington Convention & Visitors Association and the Convention Center management to the following factors:

1. Projected overall economic impact on the City.
2. Total number of hotel rooms required.
3. Projected revenue to the facility both in terms of direct space rental revenue as well as projected revenue from concessions and other building services.
4. Time of year.
5. Potential for repeat booking.
6. Previous history and experience of the potential user with respect to use of similar facilities.

Based on the above criteria, the following is a ranking, in terms of priority with regard to the Convention Center booking policy.

PRIORITIES AND PROCEDURES

First Priority

Conventions and trade shows which are international, national or regional in nature and which significantly impact on the hotel community in terms of room pick-up. A contract with an organization holding a convention or a trade show will be issued no later than 18 months prior to the event. A signed, fully-executed contract must be on file in the Manager's office no later than 18 months prior to the event and must be accompanied by a certified check, in the amount of 10 percent of the total estimated rental. A firm rental rate will be guaranteed at time of contract signing, provided contract signing occurs no sooner than 2 years prior to the event.

All other commitments may not be made final beyond 18 months prior to the event date. The Convention Center will not release dates within any succeeding 18 month period until first clearing these tentative dates, in writing, with the Washington, D.C. Convention & Visitors Association.

Second Priority

The second priority for dates is given to multiple day annual public shows such as a sport show, a boat show and the like. These public shows will be revenue producing, wherein the Washington Convention Center would participate in a percentage of ticket sales. However, these events will not be booked until the 18 month advance reservation period for conventions and trade shows has elapsed. A contract will be issued no sooner than 18 months prior to the event. A deposit representing 25 percent of the anticipated rental must accompany the contract.

Third Priority

Local multiple-day events. When space is available, reservations will be taken for local, multiple-day events. However, a contract will be issued no sooner than 12 months prior to the event. Accompanying the contract will be a deposit in the amount of one full-day's rental.

Fourth Priority

Single-day local events. These requests may be honored no sooner than six months prior to the event, on a space available basis, in order to allow the General Manager the opportunity of first booking local multiple-day events. A deposit, representing the full rental amount will be received at the time of the signing of the contract.

RATE STRUCTURE

A rate structure will be developed for each priority level which shall be strictly adhered to. These rates shall be reviewed by the Board of the Washington Convention Center priodically and adjusted to reflect current economic conditions.

Any variation from the published rates will be with the approval of the Board. All final decisions will rest with the General Manager subject to review by the Board.

May 18, 1981

Honorable Alfonse D'Amato
Chairman, Senate Appropriations
Subcommittee on the District of Columbia
Russell Senate Office Building, Room 321
Washington, D. C. 20510

Dear Senator D'Amato:

I have been advised that the Senate Report on the FY 1981 supplemental includes language concerning the use of the Washington Convention Center for entertainment purposes.

I want to take this opportunity to clarify the city's position with respect to this matter.

The Convention Center, now under construction and scheduled to begin operations in the fall of 1982, is being managed as an independent agency of the District government under the direction of a five-member Board of Directors, in accordance with D. C. Law 3-36 which includes the following objectives:

> (Section 2c) "A convention center would (1) attract large numbers of visitors to the downtown area and result in increased business activity in the area surrounding the convention center; (2) enable large national, international, and regional conventions, trade shows, meetings, and exhibitions to be held in the District of Columbia and thereby encourage visits to Washington by residents of other sections of the United States and of other nations; (3) provide a new source of revenue for the District of Columbia as a consequence of its operations and the expanded commercial activities resulting therefrom; and (4) provide expanded employment and business opportunities for residents of the District of Columbia."
>
> (Section 2d) "A convention center would provide space and facilities for local public shows and exhibitions including, but not limited to, civic and community events and gatherings, athletic and cultural events, entertainment, and such other activities as may be in the interest of the citizens of the District of Columbia."

This language was included in the original legislation proposed on June 30, 1977, and furnished to the Senate and House Appropriations Subcommittees on the District in conjunction with their review and subsequent approval of the city's report on the Civic Center in September and October of 1978. The same language was included in the final version of the Washington Convention Center Management Act, approved by the Council on September 17, 1979, and forwarded to the Senate and House for review in accordance with the Home Rule Act.

As the language suggests, and as the city has consistently stated, the primary purpose of the Center is to attract national conventions, exhibits, and trade shows which in turn will attract out-of-town visitors who will stay in local hotels, purchase goods and services from local businesses, and thus provide additional jobs and tax revenues. The building is specifically designed to accommodate these users. The marketing efforts of the city are directed towards this purpose, and the financial cost benefit analyses for the project have reflected this assumption.

At the same time, however, it has also always been understood that as a local public facility, built with local tax revenues, the building would also be available for local groups, public ceremonies and other civic purposes to the extent that it was not otherwise already scheduled for use.

The Board of Directors has only recently hired an experienced General Manager and is now in the process of drafting specific detailed booking and pricing policies and criteria. Although no final contracts have been signed with anyone, nearly one hundred major national organizations have already tentatively reserved space in the Center over the next several years. This fact, together with the new hotel and other commercial development now beginning to occur in the surrounding area, has been encouraging.

In summary, the District remains committed to its objective of using the Convention Center primarily to attract out-of-town delegates to conventions, exhibits and major shows, but also does not wish to preclude the use of the building for local meetings, ceremonies, and other appropriate events.

Sincerely,

Marion Barry

Marion S. Barry, Jr.
Mayor

MAYOR'S OPINION REGARDING SPORTS EVENTS AT CENTER

Mayor BARRY. I will answer those specific questions for the record, but let me indicate my general view about that subject notwithstanding the Board has the authority to make certain decisions.

The Convention Center is going to cost the taxpayers of the District of Columbia almost $100 million. It is going to attract 350,000, 400,000 new conventioneers, generate over 2,000 jobs and bring in $8 to $10 million, conservatively, in additional revenues once it is fully operational. I don't think the Board would object to what I consider would go on at the Center whether it is rock concerts, basketball games, hockey games, boxing, and any other situation that is going to benefit the residents of the District of Columbia financially and that they can enjoy.

I get awfully disturbed that we don't have in our city an arena or facility which can hold more than 8,000 to 10,000 people, such as the Armory. The Convention Center ought to be used to the maximum. It ought to be used for any activities that are acceptable to the community. It should not be a situation where the use of the Convention Center should be restricted so as not to interfere with activities at the Capital Center. That is really the issue here that I put on the table.

That is an issue that does exist. So that is my philosophy. Whether or not that is what I recommend to the Board, I will discuss it with my staff and get their input and then make a decision. But we will answer the other questions and send them in.

SUBMITTED QUESTIONS

Senator D'AMATO. I will submit some questions to be answered for the record. Thank you.

[The following questions were not asked at the hearing but were submitted for response for the record:]

QUESTIONS SUBMITTED BY SENATOR D'AMATO

OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

QUESTION:
1. What are the findings of ongoing studies of new and increased revenues?

ANSWER:
1. As the new District of Columbia Auditor, I have been privileged to serve in this capacity since April 1, 1981. I am currently in the process of reviewing and evaluating prior efforts directed toward both revenues and expenditures. I will provide brief comments on revenue study findings from the "Fifth Annual Report of the District of Columbia Auditor" which was prepared under the direction of my predecessor.

A. The District is Failing to Receive Fair Tax Revenues from the Operation of Sightseeing Buses Over Its Streets

This Office found that the District is losing substantial revenue by failing to charge a fee for sightseeing vehicles operating in the District for less than 15 calendar days per year. We recommended that the District withraw from the interstate compact, and that its laws be changed to require that every vehicle operating regular routes within the District pay a minimum registration fee of $15, and that every vehicle for hire with a capacity for 8 or more persons which does not operate on a regular route display a vehicle use permit in addition to any other licenses it holds.

B. The District is Not Receiving An Adequate Return on Rental of Public Space for Private Purposes

The Office found that some business activities are being performed on a public space without the necessary permits or fees being received indicating an enforcement problem. The report indicated that the annual rent of 3½% of the assessed value of the space rented in reality amounted to only 1% of the valuation being received as rent when compared with the same space being privately owned. We recommend that the District should receive a rate of return more comparable to the market rate.

C. Fiscal Impact of Bill 3-27 - Cable Television Franchise Act of 1979

As a result of reviewing the proposed bill, the Office estimated that approximately $135,000 would be needed for the Commission. The 3% gross receipts tax proposed in the bill would yield approximately $72,000. We indicated that the gross receipts tax should be at least equal to the general sales tax of 5%. Also, we stated that since cable television is a luxury service, consideration should be given to an even higher tax rate so as to generate additional revenue.

D. Impact of Increase in Cigarette Tax Rate

The Office concluded that increases in the cigarette tax do not result in revenue declines, but rather have the direct effect of increasing revenue. We recommended that because recognized consumption is declining due to a number of factors, that unless cigarette tax rates are increased, tax revenues from the source will decline, and thus that the rates should be increased.

E. Department of Finance and Revenue's Business Tax System

The Office found that there is considerable duplication of effort and lack of coordination between the Compliance and Enforcement Sections of the Tax Administration Division. We recommended that a thorough reorganization of these two sections would dramatically improve revenue production.

OFFICE OF INSPECTOR GENERAL

QUESTION:
1. How is the function different from that of the auditor's office?

ANSWER:
1. The Office of Inspector General (OIG) differs from the Office of the Auditor of the District of Columbia in that OIG has the following distinct functions: (a) internal audit, (b) prevention and detection of fraud, abuse and waste, (c) Medicaid Fraud Control Program and (d) audits of Federal grant programs. The Inspector General reports directly to the Mayor.

The Office of Inspector General is responsible for carrying out the City's internal audit function as set out in Section 449(d) of the Home Rule Act. Internal auditing is required under Federal laws relating to auditing in the Federal executive departments, including the District of Columbia, e.g., Budget and Accounting Procedures Act of 1950. The need for internal audit in the District of Columbia Government is recognized in Section 455 and Section 736 of the Home Rule Act which provide that the D.C. Auditor and the Comptroller General, respectively, shall give due regard to the effectiveness of internal audit in determining their auditing procedures and the extent of their examinations.

Upon taking office in January 1979, the Mayor expanded the role of the former Office of Municipal Audit and Inspection by changing it to the Office of Inspector General, placing the OIG in the Executive Office of the Mayor and charging it with responsibility to more effectively prevent or correct fraud, abuse, waste and mismanagement in the programs and operations of the District Government.

In September 1979, the Mayor increased the OIG's functions to include investigating and referring for prosecution, violation of all applicable laws pertaining to fraud in the administration of the District's medicaid program, the provision of medical assistance, or the activities of providers of medical assistance under the District's plan. OIG was authorized to review complaints of abuse or neglect of patients in health care facilities receiving payments under the District's medicaid plan and to review allegations of misappropriation of patient's private funds.

In October 1979, the United States Office of Management and Budget issued Circular A-102, Attachment P, which established new audit requirements for State and local governments that receive Federal assistance. The Mayor placed the responsibility for audits of Federal grant programs within the executive departments under the OIG.

The Office of the District of Columbia Auditor was created by the District Charter and is responsible for carrying out a thorough audit of the District's operation and financial condition. In addition, the D.C. Auditor is mandated to audit the expenditures of the Advisory Neighborhood Commissions, the Boxing and Wrestling

Commission and the Civic Center; specific activities of the University of the District of Columbia and the D.C. General Hospital Commission; and to provide oversight of D.C. Banks under the Bank Depository Act.

In establishing the D.C. Auditor's Office, the intent of Congress apparently was to provide an Auditor - Council relationship similar to that of GAO - Congress. Legislative auditors with similar reporting relationships exist in many states. Large governmental organizations at all levels, i.e., Federal, state and local, generally have separate audit functions within the legislative and executive branches.

QUESTION:
2. Please describe the goals, results and savings resulting from the Medicaid Fraud Control Program?

ANSWER:
2. The goal of the Medicaid Fraud Control Program is to identify, investigate and facilitate prosecutions of D.C. Medicaid Providers who defraud the D.C. Medicaid Program and to assist in ferreting out and prosecuting abuse of D.C. Medicaid patients in long term care facilities servicing the D.C. Medicaid population.

The monies recovered through the above prosecutions, as well as monies identified by the Medicaid Fraud Control Unit for recoupment, should equal or exceed the budget of the Medicaid Fraud Control Unit.

However, as in all law enforcement efforts, the real savings to the D.C. Medicaid program will be realized through the deterrent effect on provider fraud and on the growth of provider fraud. Signs of this deterrent effect are that several D.C. Medicaid providers, under investigation by the D.C. Unit, have either dropped from or substantially reduced their participation in the D.C. Medicaid program. Considering the past yearly medicaid earnings of these providers, we estimate that more than one-half of a million dollars already has been saved.

OFFICE OF THE CORPORATION COUNSEL

QUESTION:
1. The staff of the Counsel's office has increased by more than a third in the last two years. What increases in workload can you cite to justify this increase?

ANSWER:
1. The Fiscal Year 1982 budget request is for 165 appropriated positions as compared to an authorized appropriated strength in Fiscal Year 1975 of 185 positions. Between FY 1975 and FY 1979, the authorized appropriated strength was reduced to a low of 153 despite an ever increasing workload. Justifications for the increase to the present level of 165 authorized positions were included in the FY 1980 and FY 1981 budgets. This authorization level remains well below that of FY 1975 and provides the capability for only a minimally acceptable level of legal support for the District of Columbia. During the period that there has been a constant downward trend in strength until the last two years, the workload has steadily increased. Some examples of this increase are: 300 suits for money damages in FY 1977, 625 in FY 1980; 50 suits for injunctive relief and challenges to statutes in FY 1977, 125 in FY 1980; 489 appellate actions in FY 1977, 800 in FY 1980; 898 paternity cases handled in

FY 1976, 2,430 in FY 1980; 816 administrative law cases in FY 1978, 1,268 in 1980. This general trend is evident in the majority of the legal activities in which the Office is involved and is continuing in FY 1981.

The majority of the additional positions to which the question apparently refers are not appropriated positions. As indicated by Schedule 2 of the FY 1982 budget request, there were 153 positions authorized in FY 1979 as compared to 209 in the FY 1982 request. Only twelve (12) of the additional positions are appropriated positions as discussed. The others are funded by Federal grant or through Intra-District sales and are related to the performance of specialized functions for which the Office is not staffed.

Twenty-six (26) of the positions are devoted to the Child Support (IV-D) Program. Although the funds for support of this program are provided to the Office of the Corporation Counsel through an Intra-District Sales Agreement with the Department of Human Services, the basic source of 75% of the funding is from the Federal Government through Title IV, Part D of the Social Security Act as amended by Public Law 93-647. The authority for the 75% funding is 45-302.21 CFR. The basic purpose of this program is to enforce the support obligation owed by absent parents to their children, establish paternity, and obtain child support. Without such a program, the District's AFCD funding from the U.S. Department of Health & Human Services would be jeopardized.

Nine (9) of the positions were for CETA employees. These positions were to be funded through an Intra-District Sales Agreement with the D.C. Department of Labor with the original source of funding the U.S. Department of Labor. Subsequent to submission of this budget, the CETA program has been phased out in this Office and it is not expected that CETA funds will be available in FY 1982 to support these positions.

Five (5) positions were funded through U.S. Department of Justice Grant No. 8-C-22-11-01 for establishment of an Anti-Trust program in the District of Columbia. This grant provides funds to initiate an anti-trust enforcement program. The last of the Federal funds provided for this program will be expended in FY 1982, and support will be provided by the District of Columbia beginning in FY 1983.

Funding for four (4) positions was provided by an 18 month Law Enforcement Assistance Administration, Department of Justice grant to support internal improvements in management and organization within the Office of the Corporation Counsel and to develop a plan for the implementation of the criminal justice reform transfer plan. Funding for these positions will terminate in FY 1982.

QUESTION:
2. Does the office use paralegals?

ANSWER:
2. The Office of the Corporation Counsel has two (2) appropriated and (2) non-appropriated paralegal positions. In addition there are legal clerk positions, some of whose duties correspond to those normally associated with paralegals.

QUESTION:
3. $44,000 is requested for terminal leave. That seems like a substantial sum. How many will require this amount? What is the historical need for terminal leave?

ANSWER:
3. It is impossible to associate the amount of terminal leave funds required with the number of personnel retiring or resigning. Each departing individual draws terminal leave based on the amount of accrued leave and the pay grade in which serving. It is normal that long term employees will have accumulated the maximum amount of leave prior to retirement or resignation. Individual payments in the $4,000 range are common. Total terminal leave payments during the past several years are; $37,996 in FY 1977; $22,150 in FY 1978; $43,964 in FY 1979; and $94,970 in FY 1980. The FY 1980 figure is large as a result of five retirements prior to the end of the fiscal year through the early retirement program for the District of Columbia.

THE OFFICE OF THE CITY ADMINISTRATOR

QUESTION:
1. The Office of the City Administrator request includes 42 new positions. Eleven by transfer. From where will these positions be transferred? What function are they currently performing? Why are they no longer needed in their current area?

ANSWER:
1. Eleven (11) positions are being transferred into the Office of the City Administrator from the Office of Budget and Resource Development. This unit conducts productivity improvement activities, and has done so within OBRD for several years, as approved by the City Council and Congress in budget appropriations since FY 1979. Because the City Administrator is directly responsible for overall productivity and management improvement throughout the government, the function and supervision of this unit is being transferred from OBRD to the immediate Office of the City Administrator. This staff will continue its previous function within the new organizational framework.

QUESTION:
2. The remaining 31 positions are the result of an expected federal grant of $5.9 million? What are the details and purpose of this grant?

ANSWER:
2. The thirty-one (31) remaining positions will support the energy related activities of the District. The D. C. Energy Office which currently is totally supported by federal grants is being transferred from the Office of Planning and Development into the Office of the City Administrator in FY 1982. The office prepares an energy conservation plan, prepares an annual energy supply and demand forecast, develops renewable energy resource programs, prepares an energy emergency contingency plan and also conducts the fuel allocation program utilizing the state set-asides of gasoline, heating oil, diesel and other petroleum products. It is estimated that the D. C. Energy Office will receive $5,855,000 in federal grants in FY 1982. They include the State Energy Conservation Program (12 positions and $250,000), the State Supplemental Conservation Program (2 positions and $33,300), the Low Income Energy Assistance Program. (8 positions and $5,100,000), the Comprehensive Energy Extension Program (5 positions and $293,800), the institutional Buildings Conservation Grants (3 positions and $143,100) and the Southern Solar Program Grant (1 position and $34,800).

OFFICE OF BUDGET AND RESOURCE DEVELOPMENT

QUESTION:

1. Are the 11 positions being transferred a transfer of individuals and responsibilities?

ANSWER:

1. Yes. The entire staff and all responsibilities of the Productivity Management Unit are being transferred to the Office of the City Administrator.

DEPARTMENT OF FINANCE AND REVENUE

QUESTION:

1. Please provide a listing of expected revenues by source and amount for the record?

ANSWER:

1. The requested data is presented below:

FY 1982 REVENUES
($000)

	FY 1982 Estimate (Accrual Basis)
Tax Revenues	
General Property Tax	
Real Property	$ 254,326
Personal Property	25,300
Total General Property	$ 279,626
General Sales & Use	$ 235,340
Selective Sales & Use	
Alcoholic Beverage	$ 8,530
Cigarette Tax	10,375
Insurance Tax	16,608
M.V. Fuel Tax	19,650
Public Util. etc.	81,300
M.V. Excise	10,500
Total Sel. Sales & Use	$ 146,963
Income Taxes	
Individual Income Tax	$ 305,967
Corporation Franchise	49,400
U.B. Franchise	8,660
Total Income	$ 364,027
Other Taxes	
Inheritance & Estate	$ 11,350
Deed Recordation	14,500
Transfer Tax	10,000
Total Other Taxes	$ 35,850
TOTAL TAX REVENUES	$1,061,806
Non-Tax Revenues	
Bus. Lic. & Permits	$ 13,883
Non-Bus. Lic. & Per.	16,588
Charges for Services	22,550
Fines & Forfeitures	27,293
Other Revenues	25,040 1/
Police & Fire Retire.	14,700
Total Non-Tax Revenues	$ 120,054
TOTAL REVENUES LOCAL SOURCES	$1,181,860

	FY 1982 Estimate (Accrual Basis)
Pending Authority	$ 21,824
TOTAL, REVENUES FROM LOCAL SOURCES	$1,203,684
REVENUES FROM FEDERAL SOURCES	
Fed. Pymt. - Gen. Fund, Approp.	$ 300,000
Fed. Pymt. - Gen. Fund, Pres. Req.	36,600
Fed. Pymt. - Inaugural Expenses	---
Fed. Pymt. - May Day Expenses	---
Fed. Pymt. - Local	13,000
General Revenue-Sharing	18,900
Federal Loans-Publ Works & Rail Transit	219,528
Total, Revenues from Federal Sources	$ 588,028
TOTAL, GENERAL FUND REVENUES	$1,791,712
FEDERAL PAYMENT TO RETIREMENT FUNDS	$ 52,070
Water & Sewer Enterprise Fund	
Charges for Ser. - D.C. Customers	$ 46,193 2/
Charges for Ser. - Fed. Customers	13,500
Payment from VA. for Water Services	3,200
Payment from MD. and VA. for Sewer Ser.	14,520
Potomac Interceptor Payments	7,459
Other Charges for Services	700
Revenues from New Authority	17,960
Total, Water & Sewer Fund Revenues	$ 103,532
Convention Center Enterprise Fund	
Corporation Fran. Surtax (One-half)	$ 2,350
Unincorporated Bus. Fran. Surtax (One-Half)	411
Hotel Occupancy Tax	3,350
Tax Convention Center Fund Revenues	$ 6,111
GRAND TOTAL, REVENUES FINANCING THE APPROPRIATION	$1,953,425
OTHER MUNICIPAL REVENUES	
Grants and Non-D.C. Reimbursements	$ 574,808
GRAND TOTAL, ALL REVENUES	$2,528,233

*FY 1982 estimates based on April, 1980 estimate revision.

1/ Includes following amounts for Disposition of Unclaimed Property.

FY 1981 $ 5.0 million
FY 1982 $14.0 million

2/ Includes difference between appropriated Federal water and sewer payments and revneue earned ($11,701,000) from services to Federal agencies.

FY 81 +$3,601 FY 82 -$1,799

QUESTION:
2. Explain the reductions in staffing.

ANSWER:
2. The FY 82 budget, as submitted to Congress, contains a reduction of 85 permanent positions for the Department of Finance and Revenue. Of these, 54 positions would be transferred to the Office of Financial Management along with the functions currently performed in the Treasury Operations Control Center. The remainder - 31 positions - would be the department's actual net reduction. These break down as follows:

The Office of Data Systems would lose two computer analyst positions. Their functions would be absorbed by the remaining analysts.

The Assessment Administration would lose 18 assessor positions. In order to maintain quality annual assessment despite the cut, one fourth of the residential properties would be field-visited each year on a rotating basis. The administration would continue to apply trending factors to the assessment bases of all parcels.

The Audit and Compliance Administration would lose 12 auditors and four tax examiners. The ability to accommodate this 16 position reduction without incurring a loss in revenue depends on the passage of two conformity bills... the individual income tax and the estate tax. Both would be significantly easier to administer than the current laws.

If the individual income tax conformity bill is enacted, the department estimates it could give up nine auditor and four tax examiner positions without adverse effects. However, if the present D.C. income tax must be administered, the 13 position reduction would cost about $1.3 million in revenue each year. In addition, the cutback in the audit program would have negative impact on taxpayer compliance.

If a new estate tax replaces the present inheritance tax, three auditor positions can be dropped without adverse consequence. However, if the department must continue to administer the complex inheritance tax, three auditors would have to be diverted from their normal activities resulting in a revenue loss of over $400,000 a year and, ultimately, in a further decrease in taxpayer compliance.

OFFICE OF FINANCIAL MANAGEMENT

QUESTION:
1. What Financial Management reports are available to agency heads? How often and how timely is the data?

ANSWER:
1. The Financial Management System (FMS) has the capability to produce 185 reports for various levels of financial management. Of the 185 reports, approximately 130 are produced routinely either daily, weekly, bi-weekly, monthly, or annually. All the reports are available to agency heads, but in most instances, the reports are used by subordinate managers to monitor day-to-day document processing and to develop monthly agency financial summaries for agency directors.

The majority of the FMS reports are produced monthly within two weeks after the close of a previous month. These reports--varying from detailed information by Responsibility Center and Funding Source to summary financial information for each agency--present year-to-date budget and spending information. As an example, reports reflecting year-to-date information through June, 1981 will be distributed to agencies by mid-July, 1981.

Attached is a list of reports currently produced by the FMS.

QUESTION:
2. What types of positions are included in the increase of 54?

ANSWER:
2. The Department of Finance and Revenue transferred Treasury Operation's functions to the Office of Financial Management-Office of the Controller. The day-to-day operations of treasury operations are performed by 54 positions. The positions are as follows:

No.	Positions
1	Associate Director
1	Chief, Treasury Operations
1	Special Coll. Coordinator
1	Secretary
3	Accounting Technician
1	Supervisory Accountant
1	Accounting Specialist
2	Audit Assistant
1	Computer Technician
2	Accounting Assistant
1	Accounts Maint. Clerk
1	Account Clerk
1	Supv. Call and Deposit
1	Head Cashier
2	Cashiers
23	Tellers
2	Ret. Check Research Spec./Asst.
1	Cash Clerk
1	Asst. Princ. Dist. Agent
1	Disbursing Assistant
1	Program Analyst
2	Senior Disbursing Clerk
1	Disbursing Clerk
1	Payment Checker
1	Treasury Auditor
54	

PERSONAL SERVICES

QUESTION:
1. Please provide a table listing, by department for each city agency the amount in the FY '82 budget for regular pay and for personal services?

ANSWER:
1. The attached table lists each agency's FY '82 budget for salary and benefits as well as the distribution of the personal services request.

FY 1982 PERSONAL SERVICES DISTRIBUTION

	FY 1982 Salaries and Benefits	Personal Services Distribution (2.28%)
Governmental Direction and Support:		
Council of the District of Columbia	3,410.5	77.8
District of Columbia Auditor	328.7	7.5
Executive Office:		
Office of the Mayor	851.2	19.4
Office of the Inspector General	547.2	12.5
Office of Executive Secretaty	851.3	19.4
Office of Corporation Counsel	4,937.1	112.6
Office of the City Administrator	921.9	21.0
Intergovernmental Relations	274.2	6.2
Budget and Resource Development	1,446.0	33.0
Financial Management	6,721.9	153.3
Office of Personnel	7,549.9	172.2
Office of Communications	197.7	4.5
Business & Economic Development	669.7	15.3
Department of Finance and Revenue	10,820.7	246.8
Department of General Services	9,391.8	214.2
Board of Appeals and Review/ Board of Equalization and Review	179.8	4.1
Board of Elections and Ethics	1,151.7	26.3
Public Employees Relations Board	162.0	3.7
D.C. Retirement Board	171.3	3.9
Office of Employee Appeals	581.8	13.3
Total, Governmental Direction and Support	51,166.4	1,167.0
Economic Development and Regulation:		
Office of Planning and Development	2,519.4	57.4
Housing and Community Development	7,495.0	170.9
Recorder of Deeds	1,036.0	23.6
Office of the Surveyor	601.4	13.7
Minority Business Opportunity Commission	128.8	2.9
Office of Consumer Protection	460.8	10.5
Rental Accommodations Office	945.5	21.6
Department of Licenses, Investigations and Inspections	3,338.5	76.1
Department of Insurance	705.3	16.1
Public Service Commission	1,302.0	29.7
People's Counsel	236.2	5.4
Commission on the Healing Arts Licensure	129.5	3.0
Total, Economic Development and Regulation	18,898.4	430.9
Public Safety and Justice:		
Metropolitan Police Department	102,923.7	2,347.5
National Guard	371.8	8.5
Office of Emergency Preparedness	180.1	4.1
Fire Department	38,712.8	882.9
Court of Appeals	2,049.2	46.7
Superior Court	21,445.3	489.3
D.C. Court System	1,829.0	41.7
Public Defender Service	2,804.7	64.0
Pretrial Services Agency	1,003.3	22.9
Board of Parole	585.4	13.3
Commission on Judicial Disabilities and Tenure	49.4	1.1
Judicial Nomination Commission	10.2	.2
Law Revision Commission	335.5	7.6

	FY 1982 Salaries and Benefits	Personal Services Distribution (2.28%)
Department of Corrections	40,552.5	924.9
Office of Criminal Justice Plans and Analysis	115.4	2.6
Total, Public Safety and Justice	212.978.3	4,857.3
Public Education System:		
Board of Education	212,094.1	4,837.2
University of the District of Columbia	41,065.0	936.6
Public Library	7,538.4	171.9
Commission on the Arts and Humanities	172.0	3.9
Educational Institution Licensure Commission	73.7	1.7
Total, Public Education System	260,943.2	5,951.3
Human Support Services:		
Office of Human Rights	1,119.5	25.5
Office on Aging	307.9	7.0
Office on Latino Affairs	170.6	3.9
Department of Employment Services	6,854.2	156.3
Commission on Women	96.2	2.2
Department of Recreation	15,411.3	351.5
Department of Human Services	82,875.8	1,890.1
D.C. General Hospital	20,376.7	464.7
Total, Human Support Services	127,212.2	2,901.2
Transportation Services and Assistance:		
Department of Transportation	16,080.3	366.7
Environmental Services and Supply:		
Department of Environmental Services	19,474.8	444.2
Total, General Fund	706,753.6	16,118.6
Water and Sewer Fund:		
Water and Sewer Operations (DES)	23,075.6	526.3
Washington Aqueduct	6,146.8	140.2
Total, Water and Sewer Fund	29,222.4	666.5
Washington Convention Center Enterprise	652.3	14.9
TOTAL, Operating Expenses	736,628.3	16,800.0

REPAYMENT OF LOANS AND INTEREST

QUESTION:
1. The following information was taken from page ZB-7 of the budget justification.

Amount "requisitioned" as of fiscal year 1982		$1,932,788,900
Less: amount requisitioned		
1981	$133,311,900	
1982 (GF)	122,134,000	
1982 (W&SEF)	71,500,000	$ 326,945,900
		1,605,843,000
Less: Principal repaid through 1979		134,264,124
		1,471,578,876
Less: Amount of loan not required to be repaid		12,350,000
		$1,459,228,876

The $1,459,228,876 represents, according to the budget justification, the amount of capital project loans outstanding as of September 30, 1980.

On page 45 of the fiscal year 1980 annual financial report the amount of outstanding capital projects loans is stated as $1,467,000,000. This a difference of about $8 million.

1. Why is there a difference in the amount of capital project outstanding loans between the budget justification and the 1980 annual financial report? Should there be such a difference? Would you provide information reconciling these two figures?

ANSWER:
1. The difference of about $8 million between the $1,467,000,000 in outstanding capital project loans as reported in the District's 1980 Comprehensive Annual Financial Report and the $1,459,228,876 reported in the FY 1982 budget justification is attributable to how the District's obligation to help repay construction grants under the Hospital Facilities Act is reported. For financial reporting purposes the outstanding obligation is treated as long-term debt. The budget justification includes only outstanding long-term U.S. Treasury capital improvement loans. The District's annual share under the above-mentioned act is the $547,600 included in the budgeted debt service.

QUESTION:
2. Page ZB-7 of the budget justification shows that principal and interest payments on capital outlay loans in fiscal year 1982 will amount to about $154.7 million. This includes about $130.6 million for "General Fund loans" and about $24.1 million for "Water and Sewer Enterprise Fund" loans.

On page 46 of the 1980 annual financial report, the amount of principal and interest to be repaid in fiscal year 1982 is $139 million, or about $15.7 million less than the amount in the budget.

While we recognize that the accounting basis used in the preparation of the financial report may differ from that used in preparation of the budget, would you please explain the difference in the amount of principal and interest payments as shown in the budget as compared with the amount shown in the financial report? Please provide data reconciling the principal and interest repayments as shown on both reports.

ANSWER:
2. The $139 million given in the 1980 annual financial report is the payment of principal and interest due in fiscal year 1982 on all long-term U.S. Treasury loans to the District. It does not include debt service which the District has been permitted to defer on loans for constructing the Potomac Interceptor Sewer. It also does not include the payments totalling $1,947,600 for the District's share of St. Elizabeth's capital costs and the requirements under the D.C. Hospital Facilities Act. The amount of $154,710,600 shown in the original fiscal year 1982 budget request includes this $1,947,600, $2,853,000 for payment of deferred debt service on the Potomac Interceptor, and $149,910,000 as current debt service on U.S. Treasury loans on a partial accrual basis. Current Water and Sewer Enterprise Fund debt service on a cash basis, that is, due to be paid in 1982, is $14,658,000. On a full accrual basis, as included in the 1982 budget request, it is $21,268,000. Current, cash basis General Fund debt service on U.S. Treasury loans in $124,113,000. The $128,642,000 contained in the 1982 budget request includes an additional $4,529,000 which, at the time the budget was approved, was considered to be necessary to cover at least part of the additional expense associated with recognizing General Fund debt service on an accrual basis. The table below summarizes the differences in the two 1982 debt service presentations.

	1980 Financial Report	1982 Budget Request	Difference
General Fund, current debt service, U.S. Treasury loans	$124,113,000	$ 128,642,000	$ 4,529,000
General Fund, D.C. obligations	...	1,947,600	+ 1,947,600
Total, General Fund	124,113,000	130,589,600	+ 6,476,600
Water and Sewer Fund, current debt service, U.S. Treasury loans	14,658,000	21,268,000	+ 6,610,000
Water and Sewer Fund, deferred debt service Potomac Interceptor	...	2,853,000	+ 2,853,000
Total, Water and Sewer Fund	14,658,000	24,121,000	+ 9,463,000
Grand total, debt service	$138,771,000	$ 154,710,600	+15,939,600

QUESTION:
3. According to the budget justification, page ZB-7, about $1.9 billion has been requisitioned to finance capital improvement projects. Page 45 of the 1980 annual financial report shows that in fiscal year 1980, $90 million was borrowed at interest rates ranging from 9.125 percent to 10.5 percent. Page 59 of the financial report shows that the amount of cash in the Capital Projects Fund totaled about $46.3 million at September 30, 1980.

Please explain your cash management practices as it relates to cash in the Capital Projects Fund? How much interest income was earned on the cash in the fund? At what interest rates?

ANSWER:
3. The District attempts to schedule capital borrowings to maintain sufficient balances in the Capital Projects Fund to cover several months of capital disbursements. With regard to interest income earned on these cash balances, all District cash is comingled for investment purposes. Total interest income in fiscal year 1980 was $7.7 million. There is no separate amount of interest allocated to the Capital Projects Fund. The interest rates received on District investments in fiscal year 1980 ranged from 9.1 percent to 16.1 percent on a monthly average basis.

REPAYMENT OF GENERAL FUND-DEFICIT

QUESTION:
1. The budget request, (Volume II., Page 432) states that of the potential total accumulated deficit of $409 million at 9/30/80 (actual accumulated deficit $387.5 million at 9/30/80), about $215 million was of a current nature for which cash would be needed in the near future. (Amount reduced to $184 million.)

a. Since the f/y 1982 budget justification was prepared some significant changes in the City's approach to dealing with the deficit have taken place. Do you still intend to use the $10 million requested here to pay borrowings?

ANSWER:
1a. If the Congress acts on the District's deficit bond legislation, it is expected the bonds will be issued by February, and one-half year's debt service will be due in fiscal year 1982. The $10 million will be needed for this debt service.

QUESTION:
1b.

b. Since you haven't borrowed as yet, wouldn't it make more sense to use the $10 million to pay some of your outstanding liabilities, thereby reducing borrowings (if indeed any are needed) and saving the taxpayers $20 million to $30 million in interest costs?

ANSWER:
1b. As indicated by Answer 1a, the District still does plan to borrow to finance the deficit and needs the $10 million as debt service. Although incurring a surplus is certainly helpful in reducing an accumulated deficit, deliberately setting aside $10 million to begin to satisfy $184 million in immediate cash needs is simply inadequate.

QUESTION:
1c.

c. We have previously discussed the soundness of long-term borrowing to pay operating costs, and we feel compelled to raise that issue again. Is it logical to undertake a liability of the magnitude contemplated - to cover an operating deficit?

ANSWER:
1c. Our continuing position is that borrowing is the best way to cover the immediate cash needs portion of our accumulated General Fund operating deficit for two reasons: 1) borrowing provides sufficient current cash assets to offset current demand liabilities and 2)

borrowing resolves the deficit condition to the extent necessary to permit immediate access to the tax-exempt municipal market for future short-run and long-run requirements. One alternative to borrowing, annual set-asides of amount equal to deficit bond debt service, is inferior. First, from the standpoint of economics, the present value of the bond proceeds net of debt service exceeds the present value of the accumulated set-asides by more than $50 million. This analysis is attached. The large difference between the two proposals is due to the much larger present value resulting from gaining $185 million immediately rather than over 5.4 years, even after deducting debt service, and the net savings from borrowing by issuing bonds rather than obtaining U.S. Treasury loans.

The funding bond proposal also has the advantage that annual budgeted debt service on contractual debt is probably easier to preserve than annual set-asides. The District's proposal also provides more immediate cash for some specific, large immediate cash needs such as the $36 million in professional tax refunds which must be covered. Unlike the funding bond proposal, the feasibility of the accumulation proposal depends on the continuation of interest-free Treasury advances over the period. This proposition is unlikely given the Reagan administration's position. Finally, the accumulation proposal ignores the fact that offsetting the present value of the accumulation to the District is an equal cost for District taxpayers.

SUMMARY NET BENEFIT COMPARISON
PRESENT VALUE BASIS IN 1,000,000 OF 1981 DOLLARS

	Deficit Bonds −	Accumulation =	Benefit of Bonds over Accumulation
A. Present value of benefit of annual accumulation.......	-0-	75.4	(75.4)
B. Present value of benefit of deficit bond proceeds.....	185.0	-0-	185.0
C. Present value of cost of deficit bond debt service....	(122.5)	-0-	(122.5)
Subtotal	62.5	75.4	(12.9)
D. Present value of benefit of debt service savings......	64.4	-0-	64.4
Total	126.9	75.4	51.5

Assumptions

A. Interest Rates
    1. Tax-exempt bond rate= 10.90% (act. Bond Buyer Index on 05/07/81).
    2. Treasury loan rate= 13.99% (act. Treasury bond rate on 05/07/81).
    3. Reinvestment/discount rate= 18.19% (act. high interest rate on D.C. invested funds on 05/07/81).

B. Financing Requirements
    1. $185.0 million required to finance deficit.
    2. $155.0 million required annually to finance annual capital program.

C. Methodology
    1. a. All deficit bonds issued at end of Year 0 (FY 81).
        b. Deficit bond debt service paid on 20 year level payment

basis at tax-exempt bond rate due at end of Years 1 (FY 82) through 20 (FY 01).

2. Amounts equal to debt service accumulated at the end of Year 1 (FY 82) on, until accumulation plus reinvestment interest equals $185.0 million.
3. a. All capital bonds issued at end of Year 1 (FY 82), Year 2 (FY 83), etc.
   b. Capital bond debt service paid on 30 year level payment basis at tax-exempt bond rate due at end of years beginning with Year 2 (FY 83).
4. a. All capital loans drawn at end of Year 1 (FY 82), Year 2 (FY 83), etc.
   b. Capital loan debt service paid on 30 year level payment basis at Treasury loan rate at end of years beginning with Year 2 (FY 83).
5. No proceeds (of either funding bonds or accumulation) are required for disbursement until accumulation reaches full $185.0 million.
6. Treasury advances at no interest continue under accumulation until full $185.0 million is reached.

Calculated Results

A. Annual level payment debt service for 20 years on $185.0 million deficit bonds at 10.90% tax-exempt bond rate= $23.1 million

$$\frac{(1 + 0.109)^{20}(0.109)\ (185.0)}{[\ (1 + 0.109)^{20} - 1]} = 23.1$$

B. Years of $23.1 million annually at 18.19% reinvestment rate needed to accumulate $185.0 million = 5.4 years

$$\frac{\log[\ (185.0/23.1)\ (0.1819) + 1]}{\log\ (1 + 0.1819)} = 5.4$$

C. Annual level payment debt service for 30 years on each $155.0 million capital funding at 13.99% Treasury loan rate= $22.1 million

$$\frac{(1 + 0.1399)^{30}(0.1399)\ (155.0)}{[\ (1 + 0.1399)^{30} - 1]} = 22.1$$

D. Annual level payment debt service for 30 years on each $155.0 million capital funding at 10.90% tax-exempt bond rate= $17.7 million

$$\frac{(1 + 0.109)^{30}(0.109)\ (155.0)}{[\ (1 + 0.109)^{30} - 1]} = 17.1$$

E. Annual debt service savings of bonds versus loans for each $155.0 million annual capital program funding= 22.1 - 17.7 $ 4.4 million

F. Present value of $23.1 million accumulated annually for 5.4 years at 18.19% discount factor= $75.4 m in 1981$

$$23.1 \sum_{i=1}^{5} \frac{1}{(1 + 0.1919)^{i}} + \frac{8.7}{(1 + 0.1819)^{5.4}} = 75.4$$

G. Present value of \$185.0 million deficit bond proceeds at 18.19% discount rate= \$185.0 m in 1981\$

$$\frac{185.0}{(1 + 0.1919)^{0}} = 185.0$$

H. Present value of \$23.1 million annual level payment debt service for 20 years at 18.19% discount rate= \$122.5 m in 1981\$

$$23.1 \sum_{i=1}^{20} \frac{1}{(1 + 0.1819)^{i}} = 122.5$$

I. Present value of \$4.4 million annual debt service savings (bonds versus loans) for 30 years at 18.19% discount rate for each \$155.0 million annual capital program:

a. \$155 million capital program funded at end of Year 1 (FY 82) with savings beginning at end of Year 2 (FY 83)= \$20.3 m in 1981\$

$$4.4 \sum_{i=2}^{31} \frac{1}{(1 + 0.1819)^{i}} = 20.3$$

b. \$155 million capital program funded at end of Year 2 (FY 83) with savings beginning at end of Year 3 (FY 84)= \$17.2 m in 1981\$

$$4.4 \sum_{i=3}^{32} \frac{1}{(1 + 0.1819)^{i}} = 17.2$$

c. \$155 million capital program funded at end of Year 3 (FY 84) with savings beginning at end of Year 4 (FY 85)= \$14.6 m in 1981\$

$$4.4 \sum_{i=4}^{33} \frac{1}{(1 + 0.1819)^{i}} = 14.6$$

d. \$155 million capital program funded at end of Year 4 (FY 85) with savings beginning at end of Year 5 (FY 86)= \$12.3 m on 1981\$

$$4.4 \sum_{i=5}^{34} \frac{1}{(1 + 0.1819)^{i}} = 12.3$$

Total present value of annual debt service savings= \$64.4 m in 1981\$

WASHINGTON CONVENTION CENTER

QUESTION:
1. What is the status of the construction of the Center: Is it on time and on budget?

ANSWER:
1. As of May 27th the construction of the Center is on time and on budget. It is anticipated that the building will be completed by the Fall of '82.

QUESTION:
2. I know that you are aware of the concerns of the Washington Building and Construction Trades Council.

Have the goals for minority and resident hiring been met? What goal was established?

ANSWER:
2. A report prepared by the Department of Employment Services of the Government of the District of Columbia for the period February 1980 through March 1981 reflects the following statistics for employment and payroll by race, residence and sex.

	Minorities	D.C. Residents	Women
Employment:	63.7	45.1	1.4
	Minorities	D.C. Residents	Women
Payroll:	61.3 ($644,644.36)	43.6 (458,400.20)	1.4 ($14,295.96)

QUESTION:
3. What about his goals for small minority businesses?

ANSWER:
3. As of April of 1981, seven out of the first twelve contracts awarded went to minority firms, with a dollar value of $22.3 million out of a total of $44.8 million awarded.

The Mayor, by Executive Order, has directed that at least 51% of the value of all construction contracts and subcontracts shall be awarded to minority firms certified by the Minority Business Opportunities Commission.

FEDERAL LOANS FOR CAPITAL PROJECTS

QUESTION:
1. In the President's revised budget for FY 1982 Federal loans for capital improvements are reduced from $193,634,000 down to $155,000,000. Please provide a prioritized list of projects and amounts that were included in the $193 million figure and indicate below what line projects will be defined.

ANSWER:
1. The District's original estimate of capital project outlays for FY 1982 totals $228,334,500 covering approximately 110 capital projects. Of these total outlays of $228,334,500, an estimated $8,979,000 was to be funded from the equity transfers from the

Convention Center fund leaving $219,355,500 to be financed with Federal loans from the U.S. Treasury.

The $219,355,500 in Federal loans from the Treasury includes $193,634,000 in new loan authority requested for FY 1982 and $25,721,500 in unused loan authority from the previous fiscal year. There is no distinction made between the new loan authority or the unused authority for the funding of the outlays for the 110 capital projects in FY 1982. Therefore, there is no list of projects specifically identified as being funded within the new loan authority or the unused authority from the previous year.

These 110 capital projects in FY 1982 are all considered a priority of the District. These projects are necessary to resurface District streets, construct the new municipal building, complete the Convention Center, make major renovations and critically needed building rehabilitations, modernizations and replacements of District facilities. In addition, the District needs to make the necessary improvements to its public housing units, repairs to meet life and safety codes, replacements of the water treatment facilities, as well as modernize several of the schools and career centers.

The requested new loan authority of $193,634,000 was reduced to $155,000,000 for FY 1982 in the President's revised budget. More importantly, however, was the reduction in the District's actual capital outlays financed by Treasury loans from $219,355,500 to $145,000,000, a decrease of $74,355,500. This reduction to $145,000,000 limits the District's total Treasury borrowing outlays to that level financed by both new FY 1982 and the previous year's unused Treasury loan authority. Such a limitation on the District's capital program outlays in FY 1982 has an extensive impact affecting approximately 66 percent of the capital projects which will sustain some reduction in outlays.

The District's capital program agencies developed a list of the capital projects whose outlays for FY 1982 had to be reduced in order to conform to the President's proposed limit of $145,000,000 in total outlays. A list of these capital projects, which was transmitted to the District Council as additional information supporting the FY 1982 capital budget amendment, is on file with the Subcommittee.

If additional capital outlays were authorized above the $145,000,000 limit for FY 1982 these funds would be used on a priority basis as follows:

1. Street resurfacing and road improvements;
2. General improvements to public housing;
3. Construction of the new municipal office building;
4. Permanent improvements to several District owned facilities;
5. Restoration of the Job and Tax Development fund for obtaining Federal matching funds to be used for economic development projects; and
6. Construction of the Ambulatory and Critical Care Center at D.C. General Hospital.

It should be noted that the President has also recommended a limit to our capital borrowing outlays in FY 1983 and future years which will have a severe impact on the District's capital improvements program in the future.

SUBCOMMITTEE RECESS

Senator D'AMATO. I want to thank everyone for their participation, your graciousness, and this hearing stands adjourned until 2:30 p.m.

[Whereupon, at 11:45 a.m., Thursday, June 11, the subcommittee was recessed, to reconvene at 2:30 p.m. the same day.]

(AFTERNOON SESSION, 2:55 P.M., THURSDAY, JUNE 11, 1981)

NONDEPARTMENTAL WITNESSES

PARENTS UNITED FOR FULL PUBLIC SCHOOL FUNDING

STATEMENTS OF:

LINDA MOODY
PETER EDELMAN
RODERICK BOGGS
CYNTHIA WILSON
MARY LEVY

SUBCOMMITTEE PROCEDURE

Senator D'AMATO. The subcommittee will come to order.

This afternoon the subcommittee will complete its hearings on the fiscal budget for 1982 for the District of Columbia with testimony from public witnesses concerned about the community.

It is a pleasure to have you all here. To take your time so that you can inform the committee of your views, your thoughts. Out of necessity I am going to ask that each of you limit your oral remarks to no more than 5 minutes. We will be more than pleased and happy, though, to have your written statements made part of the record, but ask that you summarize and try to capsule that testimony that otherwise can be submitted for the record so that your friends and neighbors and those, associates, various groups might have an opportunity to make known their views.

I would appreciate very much your cooperation.

In addition, the subcommittee staff will be willing to meet with any of you so as to take your personal views, et cetera and into consideration in those areas that you think are important and need further amplification other than what today might avail you. So that we will give the widest possible latitude to make known in detail those things that would be obviously impossible for you to convey to us in just the time allocated for these hearings.

Our first witness is Mr. Joe Sellers, and associates of Turner Elementary School.

Ms. DOYLE. Mr. Chairman?

Senator D'AMATO. Mr. Seller?

Ms. DOYLE. I would like, if it is possible, to switch places with the group that is second. I believe it is second, Parents for Full School Funding. They will be presenting data that I think will be useful for you to have before you before you hear my testimony.

Senator D'AMATO. OK. Parents United for Full Public School Funding? This is a panel, Terry Schaeffer Doule, Cynthia Wilson, Washington Lawyers Association.

Ms. MOODY. Good afternoon, Mr. Chairman. I am Linda Moody, one of the parents of Parents United for Full Public School Funding and with us today we have Peter Edelman to my right, to my left Mary Levy, Roderick Boggs, and Cynthia Wilson. Mr. Edelman will make the presentation from the Parents United and we will be available for any questions.

Mr. EDELMAN. Mr. Chairman, we are all parents of children in the public schools. I have three children in the John Eaton School. We represent a citywide parents' coalition which came into being last fall when we saw our children go to school and saw very, very serious budget cuts having a significant and we thought chaotic impact in the public schools.

Just as we had that experience last fall and saw our children, some of them having four or five teachers in the course of this school year and teachers as a consequence of the bumping and the reductions in force switching all over the city it came to our attention that we faced another year of huge budget cuts so that we would have to go through the same thing all over again in this coming fall of 1981 if something was not done.

So we organized. We sent to the City Council. We brought hundreds of parents out. The City Council increased the Mayor's mark by $10 million. The year has gone on and we are now in the congressional process and here before you today. I wanted to indicate at the outset that the five parents who are here are representative of really hundreds of parents from, I should say, at least a majority of the schools actively around the city and that we have been involved in the process from the very beginning and have made our views known at all levels, from the school board up.

We still do face a significant gap in terms of what is going to happen next fall, even up to the $248 million mark. That is why we are here today. We have done an analysis which we have placed before you. We have met with Mr. Leeth. We are grateful for his time. I won't go through it today except to say that we are convinced that the combination of mandatory increases due to inflation and such things as step increases for teachers and the absorption of the budget cuts that will be coming as a consequence of changes in the national budget, even when reduced by factors we should and can be taken into account for the closing of unneeded buildings and for enrollment decreases and for further cuts in administration, that even when these things are taken into account it is our judgment, based on independent analysis as much as we have been able to do, and that has been fairly extensive, that there is a gap still of about $27 million.

I want to report to you, Mr. Chairman, that there has been some development in the last few days in the District Building about which we are very pleased.

One of the things that we are hopeful of is that you and the subcommittee could possibly, if you are convinced of the merits of our case, help supportively in sending a signal that the efforts that are being made in the District Building to find more money for the schools would be welcomed here in the Senate and in the Congress.

Specifically, the City Council Education Committee met on June 1. We testified. Indeed we had hundreds of parents out on that occasion. You may have notified some of the coverage of it. We thought it was good; and we have had the following developments: No. 1, it is our understanding from the Mayor and from his budget director, Ms. Mack, that a sum equivalent to about a 5-percent increase, cost-of-living increase for the teachers, will be found in some way. In other words, it does not have to be taken into account as a budget increase for the schools specifically. So that that would be $10 million of the $27 million gap that we are discussing.

Obviously, one needs to know what that way is, where it would be found, but there has been that public assurance.

Second, yesterday the Human Resources Committee made available a sum of about $2.4 million that will be accomplished essentially by renting unneeded facilities from the schools for purposes such as human resources in the city; third, the Mayor has budgeted in the supplemental process $1.3 million for early retirement and finally yesterday the Education Subcommittee voted to seek whether it is through changes of priorities, that is cuts elsewhere or through the increased revenues in some way, an additional sum as we understand it of approximately $13 million for the schools.

In other words, I believe it is fair to say that the Education Subcommittee of the City Council has now become convinced of the merits of our case. So we wanted to report those developments to you. We hope, obviously, these are very complicated matters in terms of there will be increased revenues, whether there will be funding of money for the schools out of other sources where cuts can be taken perhaps as a matter of priority and the package needs to be put together.

But the major point that we want to make as parents is that we know the school systems, we are living with it and we feel very confident in telling you that if additional significant sums are not found we face another year in which layoffs of the same magnitude of last fall could occur and coming just 1 year after last fall could cause a level of disruption that really in our judgment threatens the future of the schools as a successful institutional system.

Senator D'AMATO. Let me suggest that we are deeply appreciative of your efforts. The Mayor testified this morning. As you may or may not be aware, along with the budget people and with Chairman Dixon and—indicated that of course the additional $10 million which you have spoken about had been made available as a result of the City Council's effort.

We are concerned to the point that I believe every effort should be made to see to it that wherever dollar savings can be made throughout the entire system, both educational and all the others may be made so that we do not have a situation where a crisis atmosphere develops in the educational plan and a lot of good work that has been accomplished with the young people and with their educational improvement, reading levels that we have been following have improved substantially. It is a very important aspect that should not be neglected as to the future health of the city.

So I am going to ask that you continue that dialog that you obviously enjoy, both with the City Council and with my staff and the staff of the Appropriations Committee, so that we can loan our influence in ways attempting to see that there is developed a policy of fiscal restraint, but yet in such a way that it will not be counterproductive of the aims of following education.

Mr. EDELMAN. We would be happy to do that, Mr. Chairman and appreciate those remarks.

Senator D'AMATO. Thank you very much for your time.

Mr. Sellers, would you like to add anything to that?

Mr. BOGGS. I guess we have one or two other items, Mr. Chairman, specifically if we could.

Senator D'AMATO. We are running well over that 5 minutes already. But go ahead.

Mr. BOGGS. This will be very brief. My name is Roderick Boggs, director of the Washington Lawyers Committee for Civil Rights. A program which our office is presently administering is the public education legal services project of which Mr. Sellers is a volunteer participant. But I wanted to very briefly explain to you that for approximately the last year and a half lawyers in this city have been volunteering to work with parents, looking at budget problems, personnel, curriculum problems, in Anacostia, part of the city where schools have been in need of attention and where parents have sought out this kind of assistance.

The work of the committee has blended very closely with the work of parents throughout the city in this new scrutiny of the budget process. What I particularly wanted to tell you is that we from the legal community pledge ourselves to continue this commitment to work through the political process and with parents to examine these budget financial matters to see to it that to the fullest extent possible the dialog just mentioned is carried to fruition.

I also wanted to add that we have been working, in addition, over the last 6 months particularly, with local businesses and national businesses. The Westinghouse Electric Co. has provided us with staff people over the last 6 months to establish something called the Washington Parent Group Fund which is an effort to combine private resources on a matching basis with funds raised by parents to enrich the programs with the schools with which we have been working in Anacostia.

We see this as an example of the kind of partnership that can help make the schools a better place and again we continue ourselves to continue that. I am joined by Cynthia Wilson, who is coordinator of that project and the person with whom Joe Sellers works daily. Cynthia has been coordinating the work in all of the schools we have been helping in Anacostia.

She would like just a moment to mention to you the concerns from a survey of those clients which they have brought to our attention. This, in a sense, I think is reflective of the problems that people throughout the city have seen with the schools, which has triggered their involvement in the effort that Mr. Edelman has spoken to. Cynthia?

Ms. WILSON. With due regard to the lack of time here, I will be brief and just outline for the committee and the chairman the concerns that the priority of concerns that parents throughout the Anacostia area have. We do represent a total of 14 schools in that area.

The first priority is teaching staff. They definitely cannot deal with any more RIFing and disruption in school staff at the beginning of school in September. The other is the overcrowded classroom situation that resulted from the extensive RIFing last school year.

And the ratio was a required ratio of 28 to 1, which could not be met because of that. We have sometimes 34, 35, and in some cases 40 students in one class; inadequate textbooks and supplies, inadequate administrative assistance, principals at schools need assistant principals to help with the general school operation.

There is some concern about that. School security, a lack of community aid because of the budget cutbacks to man the persons in the halls, and poor building maintenance and inadequate enrichment programs.

Those are the basic concerns of the parents in that area. I thank you.

Senator D'Amato. Let me thank you for calling those to our attention. Again, I invite you to continue the dialog and with more specificity to the subcommittee through our counsel, both in writing and in person.

So that we can have the full understanding of your concern. Thank you all very much for coming in and sharing your time with us.

[The statement follows:]

STATEMENT OF CYNTHIA WILSON

I am Cynthia Wilson, Coordinator of the Public Education Legal Services Project of the Washington Lawyers' Committee for Civil Rights Under Law, a private, non-profit organization that works with area law firms to provide volunteer legal assistance to victims of discrimination and poverty. The Lawyers' Committee submitted testimony before this Committee last April which discusses concerns similar to those stated herein. It is attached as Exhibit A.

During the past year, the project has assigned lawyers, who work without charge, to advise and represent parent organizations at 14 schools in Anacostia so that the parental involvement in such areas as budget, personnel and curriculum can be more effective.

I am testifying today on behalf of a broad coalition of parents in the Anacostia area which includes local Parent-Teacher Associations, Neighborhood School Councils and the Anacostia Community School Board.

Parents in Anacostia, one of the hardest hit areas of the city during massive teacher lay-offs last fall, are very upset about the ongoing budget crisis facing the public schools. The current appropriated budget of 245.8 million will not do. With the schools running a $10 million deficit due to unfunded costs of early retirement, fuel oil price increases, tuition increases, and transportation cost increases for handicapped children, food service worker pay raises and other increases, the school system cannot be expected to absorb all of these expenses and keep up with inflation too. For this reason a budget of $275 million or more must be supported and ultimately passed.

While the entire city suffers the consequences of a school system operating on inadequate resources, the Anacostia areas suffer even more. The problems of high unemployment, one of the major causes of crime and welfare assistance programs, high dropout rates and low levels of student achievement are compounded when an already inadequate budget is stripped to unworkable proportions.

Last fall parents had to cope with not having enough teachers to teach in the classrooms or students having 5 teachers in 5 weeks. Nothing interferes with education more than having too many teachers in a short period of time or having no teachers at all. Although inadequate teaching staff is a priority for parents in Anacostia, there are other problems which a poorly funded school budget will not solve. Moreover these problems will continue to exist at local schools:

---Inadequate textbooks and supplies

---Poor school security

---Inadequate administrative assistance

---Overcrowded classrooms

---Poor building maintenance

---Inadequate enrichment programs (field trips, music classes, foreign languages, etc.)

---Low test scores

The above list is not exhaustive. There are many more problems facing the D.C. Public Schools. Equipped with an adequate budget of $275 million or more the D.C. Public Schools will at least be able to open schools on time with a minimal amount of disruption. We hope this committee will do all that is necessary to save public education in D.C. and support an increased school budget.

I am Cynthia Wilson from the Public Education Legal Services Project of the Washington Lawyers' Committee for Civil Rights Under Law. I am accompanied by my associate, Michael Gaffney. The project which we are directing is a new program to provide legal assistance to organized groups of parents who are seeking to improve the quality of public education in the District of Columbia. We are testifying today on behalf of a broad coalition of parent and community organizations that are distressed about the impact of the proposed budget and the fiscal crises on our schools. These organizations include: the Anacostia Community School Board and Region I parent groups, the Ward III Coalition of Neighborhood School Councils, D. C. Citizens for Better Public Education, the Ward IV Council on Education, and the Washington Parents Union.

The problems with public education in the District of Columbia are neither new or unknown. They include: low levels of student achievement, declining enrollments coupled with inflation and rising energy costs, concerns about administrative and instructional staff accountability, overcrowded classrooms and excess school buildings, and the troublesome quality of management of existing resources. Despite such problems, there are some hopeful steps being taken. The Board of Education has recently:

- Required elementary school students to demonstrate competency in reading and math skills before moving on to the next grade;
- Increased the number of courses required to qualify for graduation from high school
- Made provisions for high school students to pass city-wide competency tests.

Concommitant with these signs of potential progress, however, is the harsh fact that the Board of Education is expected to absorb budget cuts in the range of $35 to $40 million. In anticipation of these reductions, the Board of Education recently decided, among other things,

- To lay off several hundred teachers and to increase the pupil teacher ratio in grades 1-6 from 26-1 to 28-1;

- To make budget cuts in Regional Administration of $1.05 million, in Central Administration of $1.3 million;
- To change the ratio of assistant principals to students to 600-1;
- To cut reclassification service funds by $150,000;
- To cut drivers' education by $412,000.

We find ourselves in a disturbing situation. On one hand, there is substantial evidence to indicate that the school system has not used its resources as effectively as it should have in the past. On the other hand, common sense indicates that a reduction of $35 to $40 million will not improve the quality of public education, but is much more likely to seriously undermine our goal of assuring that all children in the city have a fair chance to achieve their full potential.

Members of our coalition have addressed the need for improved management and the dismal prospect of significantly reduced resources for education by testifying about our concerns before the Board of Education's Committee on Audit, Budget and Financial Oversight. The general thrust of the testimony was that any cuts should be made in areas other than the basic and essential area of classroom instruction and that clearly articulated educational priorities should guide any cuts (copies of this testimony are attached). In short, parent and community organizations have not stood by idly during this crisis in public education.

We cannot help observe, however, that the District allocates a significantly smaller percentage of its overall budget (16.5 percent) to education than do Prince George's County (59.2 percent), Fairfax County (53.6 percent), Montgomery County (49.2 percent), Falls Church (41.9 percent), Alexandria (38.8 percent), and Arlington County (32.0 percent). [1] These expenditures for Fiscal Year 1980 were as follows:

FY 80 Expenditures

JURISDICTION	OPERATING BUDGET	ED ALLOCATION	PERCENT
Prince George's	$ 458,000,000	$ 271,954,634	59.2%
Fairfax County	374,072,362	201,104,214	53.6%
Montgomery County	599,400,000	294,000,000	49.2%
Falls Church	10,670,000	4,416,000	41.9%
Alexandria	94,097,579	36,514,799	38.8%
Arlington County	166,821,063	53,913,068	32.0%
District of Columbia	1,480,505,700 (Mayor)	243,867,700	16.5%

Moreover, this pattern of educational spending is reflected in the comparison of the District's per pupil Expenditure for 1979 to the per pupil expenditures of surrounding jurisdictions. As the table below indicates, the District ranks next to the last among area governments in its per pupil expenditures:

JURISDICTION	1979-PER PUPIL EXPENDITURE
Alexandria	$ 3,030
Falls Church	2,985
Montgomery County	2,494
Arlington County	2,389
District of Columbia	2,294
Prince George's	2,176

In light of these facts and the recent policies enacted by the Board of Education to improve the quality of education, we make two requests.

First, as this Subcommittee recommends a funding level for public education, be mindful of the impact reduced resources will have on the quality of public education and the lives and futures of our children and let this awareness guide your decisions. We are working to improve the schools, but our task will be immeasurably complicated by the school system having to absorb $35 - 40 million in budget cuts just as it is taking positive steps to address long-standing problems.

Second, the federal payment should be fully funded so that the school system and the city can benefit from these resources. The federal payment has been steadily reduced

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1/ "Quality Education -- A Must in the District of Columbia," A Report on Public Hearings, Summer 1979, Councilmember-at-Large John Ray, May 1980, at p. 18.

instead of increased in recent years. The scope and size of the payment have been debated and studied over the years. In 1916, a congressional report stated that the federal payment should be used to supplement District resources in financing city services so that District citizens would be subject to tax burdens comparable to those of tax payers in other parts of the country. [2]

A congressional report of 1937 stated that "... until District residents have a direct and formal part in determining the character and extent of local services and expenditures, they should not be expected to bear costs in excess of those borne normally by the residents of other comparable communities for similar services." [3]

Under the Home Rule Charter, the maximum federal payment the District may receive in any fiscal year is $300 million.

A recent report indicates the gap between what the District could receive if it taxed certain items directly rather than received the federal payment in lieu of certain taxes. According to figures in the report, the potential exists for $550.7 million in taxes, as indicated below:

$ 219 million - Federal real and personal property tax exemptions

$ 299 million - Federal restrictions on taxation of non-resident income tax

$ 18.5 million- Federal restrictions on taxation of the military

$ 10.6 million- Federal restrictions on taxation of the diplomatic community

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[2] Report of Joint Select Committee appointed Pursuant to the Act of Congress March 3, 1916, to Determine the Fiscal Relationship Between the United States and the District of Columbia, 64th Cong., 1st Sess., H. R. Doc. No. 495, 1916.

[3] The Report of the Advisory Committee and the Director of the Survey on the Fiscal Relationship Between the United States and the District of Columbia, 75th Cong., 1st Sess., S. Doc. No. 12, 1937

$ 3.6 million - Tax exemptions for congressional employees and Presidential appointees

$550.7 million [4]

In Fiscal Year 1980, the federal payment appropriated to the District was $238.2 million. It is no wonder that in 1981 the District of Columbia Public Schools are faced with a $35-40 million budget cut.

In closing, we believe it particularly appropriate for us to emphasize the critical nature of the budget questions now before the Congress. The nexus between public education - especially in the basis skills and in the elementary years - and productive employment later in life is self-evident to all. The recent events we have witnessed in Miami bring vividly to mind the tragic consequences which stem in large measure from the presence of large numbers of young people who lack basic educational skills and decent employment opportunities.

The strengthening of public school systems in our urban areas is a vital and essential element in a national commitment to address the issue of youth employment and despair. We believe that the budget questions now before this Sub-Committee represent a clear test of this commitment.

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[4] John A. Wilson, "White Paper: The District's Financial Future", March 5, 1980.

STATEMENT OF JOE SELLERS, TURNER ELEMENTARY SCHOOL

ACCOMPANIED BY:
MRS. NICHOLS
MRS. NELSON

Senator D'AMATO. Mr. Sellers?

Mr. SELLERS. Yes. Mr. Chairman, I would like to introduce two parents from the school who are here today who I would like to read a short statement. I think they have a couple of questions they would like to ask the committee and we, of course, would be available to answer any questions you have.

Mrs. Nichols, sitting to my far left, and Mrs. Nelson, sitting directly next to me.

Senator D'AMATO. How are you?

Mr. SELLERS. Mr. Chairman, I am testifying on behalf of the parents of children attending the Turner Elementary School. The school is located at the corner of Stanton and Alabama Avenue in the southeast section of the District of Columbia and has an enrollment of 672 students.

The Turner School parents urge this committee to adopt, in the fiscal year 1982 school budget, the amount of $275 million that has been proposed by Parents United for Full School Funding.

The inadequate funds that would be available otherwise, if a lower budget were adopted, would leave in disrepair an already decaying school plant, it would dash any hopes for the small and secure classes that make possible real learning, and it would threaten the survival of programs so essential to many of these children who have great educational needs.

Many numbers have been brought to your attention during these hearings, each of which offers a measure of the traumatic effect that the lower budget proposed by the city will have on primary education here.

We have heard, for example, that the costs of pay raises and inflation alone may require an additional $21.5 million to operate the schools next year. Your adoption of the lower budget may mean the loss of an additional 600 to 700 teachers, leaving classroom assignments to swell by a third or more.

Even the additional $10 million restored to school budget by the Mayor can hardly lessen this trauma in the face of current fiscal realities. But there is a human side to this budget debate. Numbers cannot measure the feelings of neglect and disillusionment which an inadequate budget may cause at Turner and at the other District schools. I am here to highlight these less easily quantified costs that would occur if a lower school budget were adopted.

Besides denying the students the chance for even an adequate education, the lower budget would eventually affect us all. The school occupies a larger place in the lives of most children. Second only to the family, perhaps, the school has the potential to affect profoundly a child's personal development, fostering pride and discipline and easing the transition from infancy to adulthood.

Deny these children a structured and supportive school environment, and you deny them a ready path to maturity. Leave them to grow on the streets, and you abandon them to chance. Some surely will grow savvy and remain healthy, but many may succumb to frustration, anger and crime.

Good schooling can be a cost-efficient investment, using funds now to prepare children to be productive citizens of the District in the future and to help them to care for themselves later. How much of the $118 million budgeted for the Metropolitan Police Department for the 1980 fiscal year, how much of the $69 million budgeted for the Department of Corrections for 1981, how much of the countless other security and entitlements related expenditures will be made to address problems which adequate schooling could prevent?

How much, in the long run, can we gain if you adopt the higher budget proposed? You may offer the schools a chance to teach the children effectively or, at least, to avoid succumbing further to the ravages of inflation. Weigh carefully these broader benefits and costs to our society when you propose a budget to the full committee and to the Senate.

The feelings of betrayal that may arise from inadequately funded schools will be felt acutely by the children of Turner Elementary School and by their families. Even in recent years, when school budgets were bountiful by comparison with the budget before you, the problems afflicting Turner and its students have been grave and intolerable, but not unique amongst the District schools. The consequences of allowing the school to further lag behind the schools' fiscal needs would be disastrous.

The Turner School building already suffers from neglect. Rainwater regularly floods its cafeteria, sometimes to a level of 6 inches, washing in debris that includes dead rats. Parents have tried for 4 years to have the necessary repairs made. Only within the past month have they secured a commitment from the Mayor to begin the necessary construction.

Must they always wait 4 years to have vital repairs made? The exterior of the school building sorely needs repainting. It has not been painted in 14 years. These conditions are the legacy of the more generous school budgets.

Inside the school, children attend oversized classes. The pupil/teacher ratio for classes in grades 1 through 3 runs as high as 33 to 1. How can children, particularly the children of Turner, whose ages range from 5 to 11 years old, learn in the midst of such crowding?

In addition, students must attend classes always vulnerable to attacks from outside the school. Outsiders, and even nearby junior and senior high school students, roam the halls at Turner, vandalizing rooms, stealing property, and threatening the students, teachers, and the administrators.

Yet, currently, the District of Columbia can only afford to deploy nine investigative counselors throughout the District, each of whom is trained to counsel children displaying criminal behavior and to make arrests only if necessary.

In contrast, the city of Baltimore, which also operates an urban school system of comparable size, has the resources to deploy more than 40 of these essential investigative counselors.

Even more significant, the program which provides for the investigative counselors, known as impact aid, exists apart from the school budget and is slated for extinction by this administration, leaving the school budget to supply whatever security forces are affordable.

How can our school fulfill the vital role in our society that we expect of them when we fail so miserably to support them financially? The committee, however, has the opportunity to adopt the proposed school budget of $275 million, and permit the schools at least to keep abreast of inflation and, perhaps, to help prepare our children to contribute significantly to the welfare of the District. We urge you to seize this opportunity.

Thank you, Mr. Chairman.

Senator D'AMATO. Mr. Sellers, let me suggest the statement made goes beyond this committee's jurisdiction or what would be, I believe, the proper exercise in the legislative authority, that of increasing the proposed budget from $248 to $275 million.

That is a matter that rightfully is the prerogative and the—both governmental and political leadership that must be exercised by the District of Columbia.

So I suggest that we can really, as an overstatement, indicate that we will do what we can to make available moneys, to provide any kind of oversight that is necessary, maybe even special help in the way of accounting, et cetera, is fine. You know, this year will be the first time that I think in the history of the unique relationship that Congress has with the city we authorized and committed the full measure of moneys that Congress had appropriated, that being the $300 million already in the House and I think you will see it come through in the Senate because it will be my recommendation if all things continue as it would appear for the absolute necessity of meeting the increased expenditure levels of $336 million, increase in the authorization and supplementing the appropriation.

It is not that this committee is not concerned or not interested in terms of the Turner School, but you aptly pointed out it is a matter where you bring to the attention of the local governmental officials in terms of the shortcomings of their system or any other system, whether it be educational, flooding conditions, inadequacies and we certainly share with you a concern so that it gives us a perspective in terms of asking those kinds of questions and bringing it to public light, those which you have expressed here today.

But let there be no mistake that we will not, we cannot dissipate the responsibilities delegated to the city and we will attempt to tell them you must increase by *x* number of dollars.

The fact of the matter is annually Congress has a kind of running game. We say you need 3,800 police, so we would write that kind of language but I would suggest to you that it seems to me that your committee and indeed many people who are interested in the process of providing an educational atmosphere and environment that indeed will give young people an opportunity to survive and in some cases a last opportunity to be able to make it compete in this world.

And will be a school system, a school setting that might give them some hope as well as opportunity.

So I think there your sensitivity and your concern for it, but I just couldn't let this pass by simply saying, "Yes, we have the ability to increase that expenditure level." But obviously where we can maximize revenues for the city in total, where we can cut down on what we might think to be a wasteful practice, suggest manners in which to deal with it, that would then make available additional opportunities for those limited dollars to be shifted and utilized in the area of education.

Mr. SELLERS. Mr. Chairman, I appreciate your position. I agree with you. I merely wish to point out to the committee by this testimony that there was certain needs that weren't being met by the existing budget and will wholeheartedly endorse your position that the Senate make efforts to maximize efficiency in other areas to provide the additional funds available in this area.

Senator D'AMATO. Thank you very much.

Mr. SELLERS. Do you have any questions?

Mrs. NICHOLS. Yes. I would like to ask how can Congress best help the District to provide public education of even menial quality, for safe and healthy conditions?

Senator D'AMATO. How can we?

Mrs. NICHOLS. Help.

Senator D'AMATO. Help? I think as I indicated to Mr. Sellers, the first thing, I think again this was both Houses approved the first supplemental appropriation that made available an additional $4.6 million. As we come in for the new fiscal year, I believe you will see a very substantial increase, an increase of better than 11 percent, almost 12 percent, 11 point some-odd percent in terms of the moneys that would be made available by Congress to the District of Columbia.

It is my hope and expectation that the District will receive $33 million more than they did—$36 million, which is 12 percent, a 12-percent increase and will receive that $36 million so that they will get instead of $300 million in authorization and subsequently the appropriation will contain $336 million.

That is a very substantial increase. I would say that there is no other area in the country that will experience this kind of an increase. Obviously, this is a unique relationship here. Obviously, there are other problems, et cetera. There is some real justification for that. But I am very heartened by the administration's position, by my colleagues in the House who have already passed this appropriation.

I believe that you will see this enacted into law. I am very hopeful that that level will be increased.

Mrs. NICHOLS. I have another question. What does this committee intend to do about the layoffs?

Senator D'AMATO. Teacher layoffs?

Mrs. NICHOLS. Yes. I understand there is about 700 to 800 layoffs.

Senator D'AMATO. Again, what I was indicating to Mr. Sellers is that that is a local decision that will have to be worked out with the school board, the City Council, and the Mayor. That comes down to that kind of local prerogative that is not one of ours. We can suggest, we can attempt to work with you, but that is strictly speaking a local prerogative.

Mrs. NICHOLS. Evidently there are other questions I have, evidently refer to that. Would you hear these, please? Overcrowded classrooms, we have a ratio of 30 to 40. We have broken down facilities such as windows and window guards. We have health problems. We only have a health aide twice a month.

There are elementary school kids. They always run and fall and get banged up and just twice a month we can only have a health aide. I think what we have here, too, one little thing that I would like not to see, and I hope that you all could have some influence on it.

I understand that they are going to take the elementary school kids and put them in with the junior high school kids if they pursue, to take these teachers from the classroom. That isn't healthy. The kids' ages are a lot different. This is going to cause some kinds of crisis. It is not very good. I would like to have your answer on that.

Senator D'AMATO. Again, that is a matter that is a local jurisdictional situation. As I have indicated today to the Mayor, I indicate again to you and Mr. Sellers, where we can be of aid in pointing out what we think might be various options open, we will attenpt to do that. But I would suggest to you that the method by which to bring about and get repairs, whether it is necessary security, whether it is the necessary personnel for either safety purposes of health purposes is to do that at the level of both the school districts and the City Council; that is we do not have that kind of authority to get into particularly that kind of detail.

Obviously, the problems that you speak about attest to the necessity for seeing to it that the situation is not allowed to deteriorate, with what you have and what the budget situation might call for.

So that is again a local matter. I cannot give any solace or comfort to you in answering the very descriptive pictures that you put forth and they are rather bleak. I am sympathetic. But again, that is a matter which calls for your continued vigilance and it seems to me that by way of the activity of the lawyers association, the Parents United for Full Public School Funding, by way of your own association, this is the method by which to bring concerted public pressure to the authorities so that you can correct inadequacies of that situation. I commend you the continuing of that process because that is what government is about. I thank you very much for coming.

STATEMENT OF HAROLD SMITH, CHAIRMAN, AD HOC COMMITTEE ON ANC

Senator D'AMATO. Mr. Harold Smith, Ad Hoc Committee on ANC. If you have statements, I would suggest you please make them available to the committee.

Mr. Smith?

Mr. SMITH. I would like to thank you for permitting me to come here to speak on behalf of the Ad Hoc Committee. I am Commissioner Harold Smith. I am here to speak on behalf of the 36 commissions throughout the city.

I am here to speak on behalf of full funding for the Advisory Neighborhood Commission. We have never received total funding under our formula. I want to speak at a time when the ANC is extensively aware of the budget in the District because we are working with it everyday. I come here to ask for the full funding. It is in view of the type of work which we are constantly carrying out within the community.

Only recently have I been working with the communities to establish a program called citizens park, which means that there be citizens taking their own funds, and going into the communities to establish, clean up, maintain parks which normally have been a responsibility of the Department of Transportation.

There are numerous programs of this nature which are being carried out and conducted everyday by the Advisory Neighborhood Commissions. I have also included with my testimony which I have submitted in advance a small exhibition of materials which gives the committee an indication of the type of outreach that we try to make into the community.

The average commissioner receives probably about $20,000. Those funds are broken down and used extensively in a concerted manner; funding all kinds, entire area of programs, child care programs, tutorial programs, transportation for senior citizens, et cetera.

The Council and the Mayor's Office has in the past, and I think again request to be fully funded because they recognize the extensive body of the service which we provide. The manpower hours that each commission commits on a daily basis cannot be measured in dollars and cents. I am here to ask this committee to give serious consideration to the request of the Council and the Mayor.

I thank you, Mr. Chairman.

Senator D'AMATO. Let me thank you for coming in and indicate to you that as you know, the Council has put in, the Mayor has approved $1.68 million and it has come to my attention in this relatively short period of time that not only does the ANC committees, 16 of them, or 36, contribute very significantly in the way of tangible and material benefits to the neighborhood, it also weaves together a fabric of our society.

That is the concern and caring for one another and one's neighborhood. I would hate to think what problems additional problems we would have without that kind of care and concern and sharing by so many in the community. So I commend you for your caring, for your active work and participation.

Thank you, Mr. Chairman.

[The statement follows:]

STATEMENT OF B. HAROLD SMITH

Mr. Chairman, Members of the Subcommittee, thanks to you and the citizens of the District of Columbia, our city now possesses a unique and viable system through which the average citizen can have an impact on the operation of his city.

I would like to take this opportunity to digress for a moment, to express the shock and outrage of the citizenry of the District of Columbia at the violent act recently inflicted upon our President and other public servants. Although we cannot ascertain the basis for this individual behavior, news releases indicate a person of deep emotional stress, similar to some constituents that many of our volunteers have tried to reach and help. I call upon all communities across our country to renew their efforts to reach out to these emotionally disturbed individuals so that we may never again experience such assaults against our President or other citizens of this country.

The Advisory Neighborhood Commissions across our city have on a continued basis made themselves available to and interacted on all levels of city government to assure not only the adequate delivery of services, but to question those areas of operation and action where the citizenry deems these actions are not in the best interest of their neighborhood or our city.

In this period of budgetary austerity, the AD-HOC COMMITTEE on behalf of the Advisory Neighborhood Commission, is again requesting full funding on behalf of ANCs. This action is not taken without serious consideration toward the financial crises which our country and especially our city/state currently face. It is as a result of the financial problems in our city, that our commissions feel that full funding is more crucial than at any other time in the commission budgeting process.

Commissions feel that they will have to make up for the loss of some direct city services and aid residents to cope with this problem which is a direct result of "rifs", layoffs and inducement for early retirement. These were actions taken by city administrators in an attempt to balance our current budget.

In an effort to substantiate the budgetary needs -- full funding of the ANCs -- I would like to reflect upon the funds provided for the Commissions in fiscal year 1980.

First, in the area of cash balance at the end of the fiscal year there still is a problem in the timeliness with which the city's comptroller delivers the checks to the various Commission accounts. This delay of one to two quarters per fiscal year often results in some commissions operating with a negative cash flow, being unable to pay expenses and carrying over funding of some new community projects to the next fiscal year.

Funds expended by the commissions is done on a very conservative basis which is reflected in the Auditor's report on ANCs which I request this Committee to review. These funds granted to various groups are often the seed funds to enable such groups to cover their initial expenditures for incorporation as an organization and to raise their own resources from the community. i.e. these limited funds provided to the Community Development Corporation in the Adams Morgan area will enable the citizens to have major input into the planning and development of their community.

Further funds have been expended in supplementing special transportation needs for the youth and senior citizens of our community who otherwise would have no means of travelling outside of their community for enrichment purposes. Other commissions have utilized funds for the purchase of yard and building tools on loan to the community to make repairs and supplement the cleaning of city streets and alleys as well as landscaping. Other assistance provided by the ANCs is in the area of resident displacement. Displacement is at an epidemic level currently in our city. Counselling and housing assistance are provided at the grass-root level often averting a crisis in the city Housing Department and alleviating severe hardships on evicted families.

Mr. Chairman, you who have served on this Committee in the past, are keenly aware that the ANCs are operating on a shoe-string budget. The average allocation to commissions is less than $20,000 dollars per year. Yet a price cannot be placed on the thousands of manpower hours donated by the various commissions or the various projects and services which they fund that assist our city.

The limited resources of the commissions are also utilized to provide an outreach network which serves to keep our citizens informed. This is done through newsletters, advertising in community-based newspapers and flyers. The newspapers also provide jobs to our community. Funds are used for town hall meetings and aid in the development of block associations which become another vehicle for citizen input.

A result of these town hall meetings and Block Association gatherings has been an increase in the interest of the citizens and in their willingness to become involved in the budgetary process, to assist with housing problems, recommend legislation to ANCs to be forwarded to the Councils, attempt to address the needs of Senior Citizens, initiate action on crime and drug abuse, work on youth employment, teenage pregnancies, recreational needs, develop tutorial programs to assist youth in the school system, sponsor the Ward Council on Education to stimulate academic achievement, improve school attendance and citizenship and to provide enrichment programs for both youth and senior citizens.

In closing, it should be noted that the ANCs are quickly becoming the eyes and ears of our city government as it relates to community problems and services. Since the inception of this legislative system, thousands of problems of every magnitude have been identified and addressed. The Commissions have also established major priorities for the current fiscal year and are working to address these issues. Our city is cleaner and citizens are better informed because the ANCs are working. As the city continues to address its budgetary needs, the task of the ANCs will grow and we as volunteers are moving to assume that responsibility. Our citizen network is growing because citizens trust us to get the job done. Our role is helping others to help themselves. As public elected, unpaid officials, we are seeking not only to serve, but to have meaningful, positive impact on our communities. It is our view that the team involves everyone -- citizens, government and business -- working together for a better community.

This request for full funding is an absolute necessity if we are to do well the job which the citizens demand. Thank you.

LWV/DC May 1981

Background for May Unit Meetings on Advisory Neighborhood Commissions

This information on the thirty-six Advisory Neighborhood Commissions (ANCs) was obtained from observation of meetings, interviews with commissioners, ANC newsletters, reports, and records. The efforts of the ANC Committee were supplemented by the efforts of the many unit members who attended and reported on ANC meetings, and by the "Citizen Response" questionaires completed by several League units. The survey shows that five years from their inception there are functioning ANCs serving all parts of the District except a small part of Ward 8. Some commissions have problems, but most of them are functioning at least moderately well. The commissions that have the most problems may be in areas that need them the most.

The Meetings

Twenty-three of the 36 ANCs were observed, including at least one commission in each of the eight wards. Twenty-seven meetings were attended and reported on by one or more League members.

Most ANCs have regular meetings monthly, or monthly except for one or two months of the year. Most have, or try to have, four town or community meetings a year. Some have combination business and town meetings. At least two commissions regularly meet twice a month. ANC 7B has a monthly community meeting with guest speakers; it also schedules two executive meetings a month.

The meetings were generally conducted in accordance with parliamentary procedure. There were examples of excellent techniques to accomplish business prudently and expeditiously, some that were unnecessarily complicated, and some that were lacking. For the most part the meetings began within a half hour of the scheduled time. At four of the 27 meetings observed, there was no quorum.

Almost all of the meetings attended had printed agenda, and had been publicly advertised. Usually the commissioners received a folder of pertinent materials, including minutes of the previous meeting. Usually some material was also available to the public, such as agenda, minutes, reports, flyers, newsletter, pamphlets.

For the most part the performance of individual commissioners was serious and purposeful. They appeared responsible, dedicated, informed, and articulate. There was some evidence of personality conflicts and political "one-upmanship" on the part of certain commissioners, but, on the whole, this did not appear to be detrimental to the overall process.

Citizen attendance at regular meetings was usually small, but varied from none (other than League observers) to as many as 50. Town meetings attracted substantial citizen response, especially when government officials or other prominent people appeared as guest speakers or panelists.

Effectiveness and Accomplishments

In telephone interviews 23 commissioners rated their commission reasonably effective to very effective. Eleven commissioners gave a rating of not effective to somewhat effective. One commission chairman said: "No other branch of the D.C. Government does so much for so little".

A survey designed to elicit citizen response to questions about ANCs was administered to 46 community activists - League and others. Twenty-one ANC actions were listed by the respondees, with such results as a bus shelter installed, traffic signals installed, bumps installed experimentally to slow down commuter traffic, dumping stopped at a shopping center, help for a neighborhood cleanup, help in forcing owners to improve the plans for a fast food place, arrangement for competent legal help for a hearing, defense of local libraries, buses for senior citizens for shopping, help landlord-tenant cases, counseling assistance. The vote was 23 to one on the need for an ANC in addition to a civic association. It was recognized that the ANC has unique legal standing.

The ANCs have had impact, to varying degrees, on a broad spectrum of issues: planning and economic development, housing (rental, public, private, conversion, relocation of residents), transportation, municipal services, commercial facilities, employment, security, education, recreation, sanitation, licensing. They have had a significant impact on zoning decisions. They have provided frequent support for local community efforts - by grants, by making office space and equipment available, by providing staff expertise, and by publicizing issues and the efforts being made, not only by the commission but also by other groups and individuals.

Two ANCs (2C and 2D) took the initiative in trying to get enforcement of Federal and District laws and orders requiring local or minority hiring on development and other publicly funded projects - an effort apparently no other organization had previously made, and which probably would have been impossible for any community group without a paid staff member who had the expertise for the necessary research.

The ANC and the Voter

In the 1979 elections, 101 (29%) of the winners received 25 votes or less. Twelve received one vote each, and twelve received two votes. Eighty-six write-in winners received 24 votes or less, and 27 received 25 or more votes, for a total of 113 winning write-ins.

Twenty-two seats were unfilled, ten of them in Ward 8. Six seats were subsequently cated and were not filled within the time limit. None of these 28 vacancies may be lled until November 1981.

At least two of the commissioners interviewed felt strongly that changing the timing of ANC elections to coincide with Council elections would increase both candidate and other voter interest in ANCs, through the larger citizen interest in politics, competition, and voting at that time. A contrary view: that the change might result in the politicizing of ANCs.

Eighty-seven commissioners (24%) are now in their third term. In three commissions more than half the commissioners are in their third term. Will there be well qualified candidates to replace these commissioners?

D.C. Law 1-21 originally restricted a commissioner to no more than two consecutive terms. In June 1979 this was amended to three terms. Another amendment is now pending in the D.C. Council to eliminate the restriction.

Some arguments for unrestricted terms: Keep expertise and continuity. Any dedicated, hard-working commissioner willing to continue in this unpaid job should be permitted to do so. No other elected officials in D.C. have a restriction on their term of office.

Some arguments against: Lack of good replacements for commissioners indicates a lack of community interest, and thus possibly a lack of need for ANCs. The "grass roots" concept would seem to require frequent rotation of people serving on the Commission. The restriction is one way to get rid of the deadwood.

How Big is a Neighborhood?

D.C. Law 1-21 does not state how large an ANC should be, but it requires that each single member district (SMD), the "building block" of the ANC, have a population of approximately 2000. This number has proven practicable for communication and representation by one commissioner.

In conversations with commissioners, none volunteered the opinion that ANC size is a problem. Four commissioners in three large ANCs were asked specifically if size were a problem. Two said "no" unequivocally, one said he thought the large size had made it harder to get organized but did not now view it as a problem, and one commissioner thought it was. The commissioners in the smallest ANC (2 SMDs) agreed, after discussion, that a minimum of three commissioners would be more feasible in the long run.

Matthew S. Watson, the former D.C.Auditor, recommended that commissions include not less than eight nor more than 12 SMDs. He stated: "There is a continuing problem with some commissions becoming sufficiently organized to make spending decisions. The most serious problems arise in the commissions having a large number of single member districts."

According to data in the auditor's 1980 Annual Financial Report on ANCs five of the ten small ANCs (2 to 7 SMDs), one of the 17 medium-sized (8 to 12), and three of the nine large ANCs (13 to 19 SMDs) spent less than 75% of their 1980 fund entitlement. The data also show that six ANCs - three small and three large - had a cash carryover at the end of FY 80 that exceeded 50% of their fund entitlement for that year.

The quorum problem and the problem of unfillable vacancies were analyzed for correlation with size of ANC. The limited data seem to indicate that large ANCs have more quorum trouble than eight medium-sized or small ones. Omitting Ward 8, with its ten vacancies in four medium-sized ANCs, the unfillable vacancy rate in the large ANCs is one vacancy per 17 SMDs, compared with one in 32 for medium-sized and one in 28.5 for small.

The above data are an indication that ANCs in the 8 to 12 SMD range (approximately 16,000 to 24,000 residents), tend to have fewer problems than smaller or larger ANCs. The consensus of the committee, however, was that sense of community and geographic continuity should be determining factors for ANC and SMD size and boundaries, except that no ANC should be smaller than three SMDs.

Finances

Congress appropriated funds for the operation of ANC in the following amounts: $750,000 for FY 77, $500,000 for FY 78, $625,000 for FY 79 and 80, and $719,000 for FY81-- a total of $3,219,000 in the five years of full operation. The ANCs are pressing for full funding, as authorized under a formula in the Home Rule Act. The amount authorized for FY 81 under that formula was almost twice as much as the appropriated amount.

Data in FY 1980 quarterly financial reports submitted by ANCs to the D.C. Auditor were extracted and analyzed. There were wide variations in amount spent for each of the expenditure categories. For example, the expenditure for staff (salaries and payroll taxes) varied among commissions from 22% to 77% of their total expenditures. One small ANC spent $10,000, which was 87% of its 1980 expenditures, on "Other" expenses--mainly grants to such organizations as a community center, a PTA, friends of the library, a council for the aging, and a recreation committee.

The end-of-year balances and the percentages of the year's entitlement spent seem to indicate that some ANCs need more money and some less. One problem is uncertainty as to funding--how much will be appropriated by Congress, and when will quarterly allocations be received from the D.C. Government. If the ANC does not have a substantial balance on hand at the end of each quarter, it is likely to run out of funds before the next payment is received.

The D.C. Auditor has recommended that the funding for the ANCs be increased, but that the additional amount be given in budgetary authority, instead of money. This would allow commissions to negotiate with agencies to provide services tailored to community desires and needs.

SUMMARY

Although the ANCs are now five years old, there still seems to be need for flexibility and experimentation to accommodate the diverse characteristics and perceptions of communities and commissions.

There appears to be a need for more collaboration among ANCs, on a district-wide or common-interest basis for the exchange of information and techniques, pooling of resources for the study of District-wide issues or problems common to two or more commissions, and perhaps also for organizing training courses and workshops to meet needs perceived by commissioners and their staffs.

Further study needs to be made of the responsibilities of ANCs---

Are they too broad or too narrow as set forth in legislation?

Should greater use be made of the ANCs to affect service delivery? as a citizen advisory mechanism?

What do some other cities have in the way of official participation by communities in governmental processes?

CONSENSUS QUESTIONS

Should we keep, revise, or drop the present positions?

How can the ANCs be made to function more effectively?

Should the League favor full funding for ANCs in accordance with the formula in the Home Rule Act?

Should ANC elections be at the same time as the Council elections?

Should there be a restriction on terms of office?

EXHIBIT - A

Testimony on Congressional Funding of Advisory Neighborhood Commissions for FY 82 Before the House Subcommittee on Appropriations for the District of Columbia

REPORT OF COMMISSIONER B. HAROLD SMITH

SINGLE MEMBER DISTRICT 1-C-12

Greetings Residents:

Now that we have completed the 1980 fiscal year, it is important that this Commission reflect upon some of its accomplishments and problems of the past year and establish new goals and objectives for the current year.

The past year I have seen block associations established on S St. and Willard St. Efforts were made to improve the block association on Swann St. I am also initiating efforts in the 1981 fiscal year to reactivate block associations on T St. and on U St. N.W.

In order for these endeavors to be successful, I suggest that all residents attempt to work with these groups and to address the many issues facing our community: crime, trash removal, tree planting and the rendering of city services.

I wish to extend my sincere appreciation to the block associations which have worked actively in support of the activities of the Adams Morgan ANC.

Some of the problems that we will encounter in this fiscal year are: budget deficits, reduction in police services, resident displacement, designation of Adams Morgan as a Community Block Grant Target Area, the development of a Community Development Corporation for Adams Morgan, the need to improve voter registration and accountability of the School Board toward residents of the District of Columbia.

Your input is urgently needed in these areas. This can be done by attending an ANC meeting, sending a letter to the Commission with your suggestions or designating a resident to speak to the Commission on your behalf through your block association.

Finally, School Board member Frank Smith has successfully established a Ward I Council on Education. The Council meets the 4th Saturday of each month. Information regarding the Council may be obtained by calling me at 724-4289.

Sincerely,

B. Harold Smith

B. Harold Smith
Commissioner

Rock Creek Monitor
May 1980

Ward I Education Council

by Kay Hartman

In these days of budget cuts and school closings, what can a parent do to insure that his or her child receives a quality education in the public schools?

In Ward I, they can express their concerns, and take an active role in the public education system, by participating in the newly-formed Ward I Council on Education, a diverse group of volunteers organized by Frank Smith, the ward's representative on the D.C. Board of Education.

According to Smith, the Council was formed to provide the people with an organized way to talk to him, and to provide him with a way to talk to the people.

"Too many times [education] policy decisions are made based on an aggregate number of case-by-case problems," says Smith. "That's not always the best way." He views the Council as a way to involve people directly in the schools.

Members of the education Council include parents, teachers, principals, students, representatives of the Advisory Neighborhood Commissions (ANC's), Neighborhood Commissioners and private citizens who live or work in the community at large. ANC representative, Lillian Tymus, serves as temporary president of the Council until the by-laws can be established and elections held. She says, "Instead of one person going down (to the Board of Education), we hope to have more input as a whole." About 50 people have attended each of the meetings so far.

"There's a negative attitude towards public education that needs to be erased because people need to be made aware of the positive side," says Lydia Martin, a council member and substitute teacher in the area. She believes the council can do it.

One of the first projects the Education Council plans is an awards program designed to honor 2 students from each school in the Ward. Only students in 6th, 9th, and 12th grades will be eligible. Cash prizes will be awarded on May 31, 1980. Selections will be made based on academic performance, citizenship, participation in school activities, school attendance, and congeniality.

Council meetings on the 4th Saturday of each month run from 10:00 a.m. to 2:00 p.m. and anyone who lives or works in the first Ward may attend. To find out the meeting's location, call Frank Smith at 724-4303.

BOLETIN DE LOS RESIDENTES DE ADAMS-MORGAN

30 de abril de 1981

Inquilinos del Beacon se oponen a conversión - Los inquilinos del edificio Beacon, 1801 Calvert Street, N.W., llevan tres años oponiéndose a los planes del dueño del edificio, el señor Albert Emsellem. El señor Emsellem consiguió el pasado otoño, mediante la intimidación, que varios inquilinos firmaran una "carta de consentimiento" para convertir el edificio en condominio. Los inquilinos firmaron el documento bajo amenaza de desahucio y con la promesa de alquiler gratuito durante tres meses para aquéllos que accedieran a firmar el documento. Los inquilinos rechazaron la conversión en una elección legal celebrada en enero por el Departamento de Vivienda. La situación se tornó muy difícil este invierno cuando el casero utilizó varias tácticas para intimidar a los inquilinos. Estos carecían de calefacción desde la medianoche hasta las 10:00 de la mañana. Una inspección realizada en enero descubrió más de 400 violaciones al código de la vivienda. Los inquilinos tuvieron que ejercer presión constante para lograr que, el mes pasado, el señor Emsellem instalara una cerradura en la puerta principal del edificio. De 36 unidades sólo 9 están ocupadas y desde hace un año nadie se muda al edificio. Los líderes de los inquilinos, todos de ingresos bajos y moderados, son Doris Ortiz (332-5137) y Rafael y Juan Carlos Peña (265-5514).

Propuesta para restar autoridad a las leyes que prohiben demolición de viviendas - Un grupo de inquilinos bajo el liderazgo del Consejo de Inquilinos de la Zona 2 están luchando para vencer una propuesta que restaría autoridad a la prohibición para demoler viviendas que, bajo la nueva ley de control de alquileres, será efectiva el 1 de mayo. La ley prohibe la demolición de unidades de vivienda si el propósito es construir una estructura no residencial, excepto si más de la mitad de los ingresos procede de fuentes no residenciales. El señor John Wilson, concejal por la Zona 2, presentó el proyecto de ley número 4-73 con el propósito de mantener la prohibición para la construcción de hoteles pero permitiendo la construcción de espacios para oficinas. Esto representa una amenaza a la designación que le adjudicó el Planned Unit Development al área de Adams-Morgan. Se urge a los inquilinos a que se comuniquen con los concejales para informarles de su oposición a cualquier intento por restar vigor a esta ley. El Consejo discutirá este asunto en la próxima reunión a celebrarse el 5 de mayo a las 10:00 de la mañana en el District Building, Sala 500. Se urge la presencia de todas las personas interesadas.

Dave Clarke intenta dar efectividad inmediata a la ley de rehabilitación de edificios - En reunión que el Concejo Municipal celebró el 7 de abril, Dave Clarke, concejal por la Zona 1, trató de que se pusieran de inmediato en vigor las disposiciones que regulan los proyectos de rehabilitación de edificios de vivienda. Estas disposiciones entrarán en vigor el 1 de mayo como parte de la nueva ley de control de alquileres. La acción del señor Clarke se debió a la gran cantidad de solicitudes radicadas en la oficina de Rental Accommodations por caseros que interesan ampararse en la ley actual que es menos estricta. Hasta este momento, un edificio del área de Adams-Morgan se verá afectado, el Shawmut, ubicado en 2200 19th Street, N.W. Este edificio tiene 71 unidades y 35 inquilinos de edad avanzada. Aunque el Concejo, en forma unánime, busca proteger a los inquilinos como si la nueva ley estuviera en vigor, es claro que el Concejo no desea realizar cambios en la ley según surja la necesidad, sobre todo después que la RAO aseguró que el procedimiento administrativo actual ofrece a los inquilinos la misma protección que recibirán éstos bajo la nueva ley. El señor Clarke, después de repetidos esfuerzos, retiró la propuesta por falta de apoyo.

Inquilinos de la U Street radican demanda para comprar edificio - Los inquilinos del edificio ubicado en 1603 U Street, N.W., radicaron una demanda contra el ex casero del edificio, el señor William T. Kirchiro, debido a que éste violó la ley al no ofrecer a los inquilinos la oportunidad de comprar el edificio. El nuevo dueño está tratando de desahuciar a los inquilinos y convertir el edificio en condominio. Los inquilinos están muy bien organizados y los representa la University Legal Services. La ayuda económica para que puedan comprar el edificio procede del Fund for an Open Society.

SI NECESITA AYUDA para proteger sus derechos de inquilino consulte la Guía de Supervivencia del Inquilino (Tenant Survival Guide) o comuníquese con Lili Iravani, Julie Ivesdale, Kent Forsberg o Ken Jacques en la Organización Adams-Morgan o en VISTAS, 2311 18th St., N.W

Este boletín es auspiciado por: la Organización Adams-Morgan, VISTAS, el Comité Asesor de la Comunidad de Adams-Morgan, la Oficina de Asuntos Latinos del gobierno de la ciudad y la Zona 1 del Consejo de Inquilinos para la Acción Política.

(Versión en inglés al otro lado)

ADAMS-MORGAN NEWSLETTER

April 30, 1981

The Beacon Fights Condo Conversion - The tenants of the Beacon, 1801 Calvert Street, N.W., continue their three year fight against their landlord, Albert Emsellem. Last fall, he bullied some of the tenants into signing illegal "consent letters" for condominium conversion under threat of eviction if they did not sign, while promising them three months free rent if they did. When a legal election was held by the housing department in January, the tenants rejected conversion. This past winter was very hard, with the landlord trying various intimidation tactics. There was no heat from midnight to 10:00 a.m. while a housing inspection in January showed over 400 code violations. And it took constant pressure to force Mr. Emsellem to finally put a lock on the front door about a month ago. Only nine apartments are now occupied in this 36 unit building with no new rentals in over a year. The Hispanic tenants, all low to moderate income, are being led by Doris Ortiz (332-5137) and Rafael and Juan Carlos Pena (265-5514).

Weakening of Housing Demolition Ban Proposed - Tenants under the leadership of the Ward 2 Tenants Council, are fighting a proposal to weaken the ban on housing demolition in the new rent control law, effective May 1. It now prohibits demolition of any housing accommodation to build any non-residential structure, except if more than half the income comes from non-residential sources. Councilmember John Wilson (Ward 2) has proposed in Bill 4-73 to keep the ban only for hotel construction (allowing, for example, offices). This is a threat to Adams-Morgan in conjunction with Planned Unit Development designation. Tenants are urged to oppose this weakening in the demolition ban by contacting councilmembers. The Council is scheduled to take this matter upon May 5 and tenants are urged to attend (10:00 a.m., Room 500, District Building).

Dave Clarke Pushes Limits on Substantial Rehabilitation - At the City Council session of April 7, Councilmember Dave Clarke (Ward 1) tried to enact immediately the substantial rehabilitation provisions that go into effect May 1 with the new rent control law. He acted because of a marked increase in applications to the Rental Accommodations Office by landlords wanting to come under the less stringent old law. At least one Adams-Morgan building is affected, the Shawmut (2200 19th Street, N.W.), with 71 units and 35 elderly tenants. While there was virtually unanimous council support for protecting tenants as though the new law were in effect, the Council clearly did not want to change the law on a fragmentary, emergency basis, especially after being assured by RAO that existing administration procedures now provided tenants with the same protection as will exist under the new law. Despite a strong push by Clarke, he withdrew the bill because the votes were not there.

U Street Tenants Sue to Buy Building - The tenants at 1603 U Street, N.W. are suing their former landlord William T. Kirchiro on grounds that he did not comply with the law in offering the building to them on the basis of their rights of first refusal. The new owner is now trying to evict the tenants and convert the building. The tenants are well organized and represented by University Legal Services with financial assistance to buy coming from the Fund for an Open Society.

For Help - If you need help in fighting for tenants, consult the Tenant Survival Guide or contact Lili Iravani, Julie Ivesdale, Kent Forsberg or Ken Jacques at the Adams-Morgan Organization or at VISTAS, 2311 18th Street, N.W., tel. 332-2628.

This newsletter is sponsored by: Adams-Morgan Organization and the VISTA assigned to it; the Adams-Morgan ANC; the Office on Latino Affairs of the D.C. Government; and the Ward 1 Tenants Political Action Council.

SINGLE MEMBER DISTRICT MEETING

Commission: 1C-12
Commissioner: B. Harold Smith
Commission Office: 2311 18th Street, N.W.
Administrator : Ken Hughes, 332-2630
Monthly Meetings : First Monday of each month

1981 Elections

1. School Board
   Contact: D.C. Board of Elections
   Mrs. Roger
   Telephone: 347-4509
2. Advisory Neighborhood Commissioner
   Contact: Mrs. Roger
   Telephone: 347-4509
   ANC 1-C Office: 332-2630
3. Adams Morgan Organization
   Contact: Ed Jackson
   Telephone: 332-2631
   AMO Offiice: 2311 18th Street, N.W.
4. Neighborhood Planning Council: #8, #12
   Contact: D.C. Department of Recreation
   Mr. Haws Larson
   Telephone: 576-6457
5. Community Development Corporation (AMO)
   Contact: John Jones
   Telephone: 232-2063
6. Neighborhood School Board
   Contact: Marie Reed: Mr. John Anthony
   Telephone: 673-7308
7. Adams School
   Contact: Alexander Brown
   Telephone: 673-7311
8. Shaw-Dupont Coalition for Renovation of Old Jewish Community Center
   Coordinator: Dale Hudelson
   Telephone: 234-5149
   D.C. Department of Recreation:
   Dr. Rumsey
   Telephone: 673-7665

TO: All Neighbors

FROM: Commissioner B. Harold Smith, Telephone: 332-3993

SUBJECT: "Project Park"

GOAL: Revitalization of the park located at 17th, New Hampshire Avenue and "S" Street, N.W.

OBJECTIVES:

1. To establish a committee of interested residents and parents to support the renovation of this park.
2. To raise funds to buy or build a fence around the children's play area, buy shrubbery and repair the water fountain.
3. To establish a liaison person with the D.C. Department of Transportation to assure the repairs are made and maintenance continues.
4. To establish a liaison with the 3rd District Police Department to assure proper attention is given and that vagrancy is deterred.

D.C. 4 . Thursday, April 9, 1981 THE WASHINGTON POST

ANC ACTION

Mount Pleasant

Advisory Neighborhood Commission 1E invited officials of Church's Fried Chicken to a recent meeting and told them the community did not want them to locate a store on Mount Pleasant Street. ANC chairwoman Gladys Mitchell said the neighborhood has too many fast-food outlets, which she said bring traffic and litter. Church's does not need a zoning variance, so the ANC is relying on community pressure to keep the fast-food operation out. About two years ago, the ANC dissuaded Holly Farms Chicken from opening in the area.

Near Southwest

Advisory Neighborhood Commission 2D is studying a revised affirmative action plan submitted by the Merchandise Mart Corp. of Chicago, which wants to develop a Washington Design Center at 4th and D streets SW. At a recent meeting with Merchandise Mart officials, the ANC asked for more concrete assurances that a fair share of jobs associated with the project would go to neighborhood residents.

The ANC is also trying to get the Department of Recreation and the Department of Housing and Community Development to reopen the recreation center at Arthur Capper Dwellings, 912 Fifth St. SE. Pipes burst and flooded the center in December, according to ANC executive director Gottlieb C. Simon, and the center is still closed, despite a promised March 1 reopening.

The ANC also has written to Safeway officials, asking that they remove the electronic games at the entrance to the Waterside Mall store. Neighborhood residents have complained that the games attract youths who block the entrance to the store.

A.U. Park-Friendship Heights

Advisory Neighborhood Commission 3E has asked the D.C. Department of Transportation for a study on traffic on upper Massachusetts Avenue, reports chairman Jack Mower.

The ANC is worried about traffic that will be generated by the new Spring Valley Center, a development under construction on the site of the old Apex Theater — a development the ANC opposed in a long zoning fight.

The ANC also has asked DOT for a four-way stop sign at the corner of 48th and Albemarle streets NW.

In addition to traffic problems, the neighborhood is also troubled by a bar called the Godfather at Wisconsin Avenue and Fessenden Street NW, which the ANC opposed before the Alcoholic Beverage Control Board, and a drug paraphernalia shop in the same block. The ANC has appealed to City Councilwoman Polly Shackleton (D-Ward 3) for legislation controlling such shops.

Chevy Chase

At a town meeting sponsored by Advisory Neighborhood Commission 3G last week, residents assessed the effects on the area of the city's cuts in library and recreation funds.

Some residents are working on forming a "Friends of the Library" organization similar to those in other ANCs.

Brightwood, Shepherd Park, Colonial Village

Advisory Neighborhood Commission 4A has asked the D.C. Department of Transportation for permit parking to prevent commuters from parking in some parts of the area. The ANC also has asked the DOT to enforce the speed limits on Kalmia Road and North Portal Drive, which are used by commuters from Maryland. "The situation here is at least as bad as on Reno Road," said ANC chairman Harry T. Jones.

Petworth, Rock Creek Park East

After a lengthy public hearing, in which Advisory Neighborhood Commission 4C opposed the plan of Zion Baptist Church to build a retirement home on Blagden Avenue NW, the Board of Zoning Adjustment ruled against the church.

The ANC has also asked Metro to move its bus garage at 14th and Decatur streets NW to a nonresidential area. People who live near the garage have complained of noise and pollution.

The ANC also has asked the city to reopen the Upshur Street Clinic.

Brookland, Michigan Park, Woodridge

Advisory Neighborhood Commission 5A is working with the Office of Business and Economic Development on a plan to revitalize the 12th Street shopping corridor between Buchanan Street and Rhode Island Avenue NE, according to ANC chairman Douglas A. Daiss.

The ANC also has asked Safeway to keep and expand its store at 12th and Perry streets NE instead of closing it as planned.

Capitol Hill, Near Southeast

About a hundred people attended a recent meeting called by Advisory Neighborhood Commission 6B on the future of the Eastern Market, a century-old farmers market at 7th Street and North Carolina Avenue SE. After considering additional input from the community, the planning firm of Dewberry and Davis will present the community with two alternative plans for the market — one calling for an upgraded and expanded market devoted exclusively to food sales and one calling for a market devoted to food sales and cultural uses.

The ANC also has asked Metro to reconsider building a barn for 250 buses on New Jersey Avenue across the railroad tracks from Garfield Park. Residents fear the barn will increase pollution and traffic hazards to children attending schools in the area.

The ANC also has asked Safeway to step up security at its 14th Street store, especially in the parking lot.

These issues will be discussed at an ANC meeting Tuesday at 7:30 p.m. at 921 Pennsylvania Ave. SE, Room 104.

Garfield, Douglass Heights

Advisory Neighborhood Commission 8B has asked the Department of Housing and Community Development to revise its plan to rebuild Knox Hill Village, a public housing project on Alabama Avenue SE demolished about 12 years ago.

The housing department's plans call for a 7-Eleven store and a fast-food outlet in the rebuilt complex. Area residents fear this will bring more crime to the neighborhood.

The owners of the Clay Plaza shopping center have agreed to provide more security at the center, located at 23rd Street and Alabama Avenue SE after they met with ANC commissioners and City Councilwoman Wilhelmina Rolark (D-Ward 8). Rolark also has asked the police to increase patrols at the center.

The ANC is also trying to get the Garfield Hill apartment complex at Irving Street and 24th Place SE rehabilitated so the former tenants can move back. The privately owned complex has been boarded up since December 1977.

—Anne H. Oman

of potential for the arts in the D.C. "UDC should have a dance program Jesse Harner, president of the

City Planning Representative to Speak o

ANC A

Near Southeast-Near Southwest

A representative of the city's Office of Planning and Development will speak at a meeting of Advisory Neighborhood Commission 2D on May 27 at 7:30 p.m. at Westminster United Presbyterian Church, 400 I St. SW, according to Chairman W. Lloyd Reeves. The Office of Planning and Development proposes to sell three surplus properties in the area — a parking lot at Third and E streets SW, the Lenox School Annex on M Street SE and a strip of land at South Capitol and M streets SW. The ANC has indicated it will not oppose the sale, but would like to be informed of the terms and would like community organizations to have the right of first refusal.

North Cleveland Park-Forest Hills

Advisory Neighborhood Commission 3F is trying to come up with additional funding for Forest Hills Park, now under construction at Connecticut and Brandywine streets NW. The city is constructing the park at the urging of the ANC and the Forest Hills Community Association, but there is not enough money for some projects, including the base for a sculpture that was donated to the park.

Chevy Chase

Traffic on Reno Road, the proposed closing of Beach Drive and the proposed hiking trail through Rock Creek Park will be on the agenda for the meeting of Advisory Neighborhood Commission 3G May 26 at 7:30 p.m. at the Chevy Chase Community Center.

Brookland-Michigan Park

A representative of the Department of Transportation will attend the meeting of Advisory Neighborhood Commission 5A on May 27 at 7:30 p.m. at the new Brookland Elementary School at Michigan Avenue and Randolph Street NE. Residents of the Turkey Thicket area along Michigan Avenue between 10th and 12th streets NE have asked the city to extend the residential permit parking system to their area, claiming that many commuters park there. The ANC also will ask the Department of Transportation to try to stop vehicles from speeding on 13th Street NE.

City Council Chairman Arrington Dixon will speak about no-fault insurance legislation.

Edgewood-Bloomingdale-Eckington

Advisory Neighborhood Commission 5C is studying the city's proposal to place a factory for prefabricated buildings at Fourth Street and Rhode Island Avenue NE, according to Chairman Daniel Robinson. The ANC would prefer to have a shopping center in the area, but the fac-

on Proposed Sale of Properties

May 21, '81
Wash Post

ACTION

tory developers' promise of 300 jobs is also attractive to the neighborhood. Some residents and a local church have objected to the proposal; the ANC hopes to achieve a compromise on the issue.

Capitol Hill-Southeast

Advisory Neighborhood Commission 6B recently tabulated 600 answers to a questionnaire about the future of the Eastern Market at Seventh Street and North Carolina Avenue SE distributed by the neighborhood newspaper, The Hill Rag. According to the survey, 77 percent of those responding favored keeping the market essentially as it is, with limited refurbishing such as public lavatories, better heat and light and a more efficient floor plan.

Seventy-seven percent opposed relocating the art gallery and cultural center now at the north end of the market to make room for more food sales. The majority of people surveyed favored expanding the restaurant activity, the outdoor farmers' stalls and the variety of foods sold and opening the basement or adding a mezzanine. By a 368-to-216 margin, residents opposed changing the market to attract tourists and out-of-area residents.

Northeast

The proposed addition of gas pumps to a 7-Eleven store at Kenilworth Terrace and Hays Street NE was denied by the Board of Zoning Adjustment after Advisory Neighborhood Commission 7A protested that gas pumps would increase traffic hazards and alter the residential character of the area.

Garfield-Douglass Heights

Advisory Neighborhood Commission 8B has invited a representative of Hope Village to speak at a meeting May 27 at 7:30 p.m. at Young's Memorial Church of Christ Holiness, 2490 Alabama Ave. SE. Some residents of the Garfield-Douglass Heights area have complained about trespassing and destruction of property by residents of a home for alcoholics run by Hope Village. Also on the agenda is a talk by city council member Betty Ann Kane (D-At Large) on proposed no-fault insurance legislation, and a talk by a representative of the Men's Center of Planned Parenthood Inc.

Capitol Hill-Northeast

Advisory Neighborhood Commission 6A is trying to find a van to transport food to a food bank at the Goding Elementary School at 10th and F streets NE, where people in need can get emergency food supplies.

The ANC has indicated to the Board of Zoning Adjustment that it supports zoning variances for the conversion of an alley building at 424 4th St. NE into a four-unit apartment building and the conversion of an alley building at 415 3rd St. NE into an apartment building.

—Anne H. Oman

ANC ACTION

City Budget Director Gladys Mack recently asked all advisory neighborhood commissions to return 10 percent of their allocated funds to help ease the city's financial crunch.

If all 36 ANCs had complied, the city would have been $70,000 richer. But Mack said last week that only five ANCs responded, returning a total of about $5,000. They were ANC 2A (Foggy Bottom), 2C (Downtown-Shaw), 3A (Georgetown), 3C (Cleveland Park-Woodley Park) and 8B (Garfield-Douglass Heights).

Mack said she was "pleased that these ANCs were willing to go along and disappointed that the others decided not to participate." Representatives of some ANCs that did not return money said that, in view of reduced city services, ANC programs were even more important.

Adams-Morgan

Representatives of ANC 1C testified at a public hearing this week on whether Adams-Morgan should be named a community development area.

This designation would make the area eligible for federal grants, but some commissioners fear it could actually impede development.

Under a District law passed in December, the city can stop all development and rehabilitation work in community development areas. While the law was written to stop speculative development in the Capitol Gateway area, some commissioners fear it might be applied to Adams-Morgan.

At a recent meeting, the ANC took the position that the area should be surveyed and blocks where a majority of property owners voted to opt out of the community development area should be allowed to do so.

Dupont Circle

ANC 2B is working with City Council member John A. Wilson (D-Ward 2) on a law to require landlords to install locks on apartment-house doors.

A resident who was raped in the Granite State Apartment Hotel at 1731 New Hampshire Ave. NW recently won a $137,500 settlement. She charged that the landlord failed to maintain workable locks on the building's entry doors.

The ANC also testified against the proposed expansion of the Embassy of Singapore in a hearing last week before the Board of Zoning Adjustment. The embassy wants to take over an apartment building next to its office in the 1800 block of R Street NW, and the ANC wants to prevent the loss of housing units in that area.

At the ANC's next meeting, April 22 at 8 p.m. at St. Thomas Church, 1772 Church St. NW, Dupont Circle resident Lois Evans will report on the upcoming City-Wide Conference on Community Health, and D.C. Department of Transportation official Suat Basaran will report on the proposed removal of some street lights at major intersections.

Georgetown

At a recent town meeting, ANC 3A commissioner Shirley Johnson and lawyer Courts Oulahan urged residents to appear in person at Alcoholic Beverage Control Board hearings to oppose additional liquor licenses in Georgetown.

The ANC voted to approve the design for redevelopment of the Carriage House on Wisconsin Avenue into a restaurant, shopping, apartment and office complex, but to oppose the parking variance the developer is seeking. The ANC believes that without adequate parking, the development will add to Georgetown's parking problems.

Brookland-Michigan Park-Woodridge

At a meeting scheduled for 7:30 p.m. April 22 at Backus Junior High School at South Dakota Avenue and Hamilton Street NE, ANC 5A will discuss the delay in the construction of the planned library branch at South Dakota Avenue and Kennedy Street NE.

The agenda also includes a discussion of the proliferation of halfway houses in Ward 5, especially in Brookland. According to ANC chairman Douglas A. Daiss, some residents blame these group homes for increased crime in the area.

Ivy City-Trinidad-Brentwood

Members of ANC 5B are meeting this week with officials of the D.C. Department of Housing and Community Development to discuss the department's shortage of lead analyzers, which are used to detect disease-causing lead-based paint in houses and apartments. The ANC has learned that the department has only two such machines in working order and is supposed to have six.

Garfield-Douglass Heights

The focus will be on youth at the next meeting of ANC 8B, April 22 at 7:30 p.m. in the recreation center of the Parkland apartment complex at 3515 21st St. SE.

An official of the 7th District police station will talk about police-sponsored youth programs; William Rumsey, head of the city's recreation department, will talk about recreation programs for youth; and City Council member Wilhelmina Rolark (D-Ward 8), will talk about summer employment for youth.

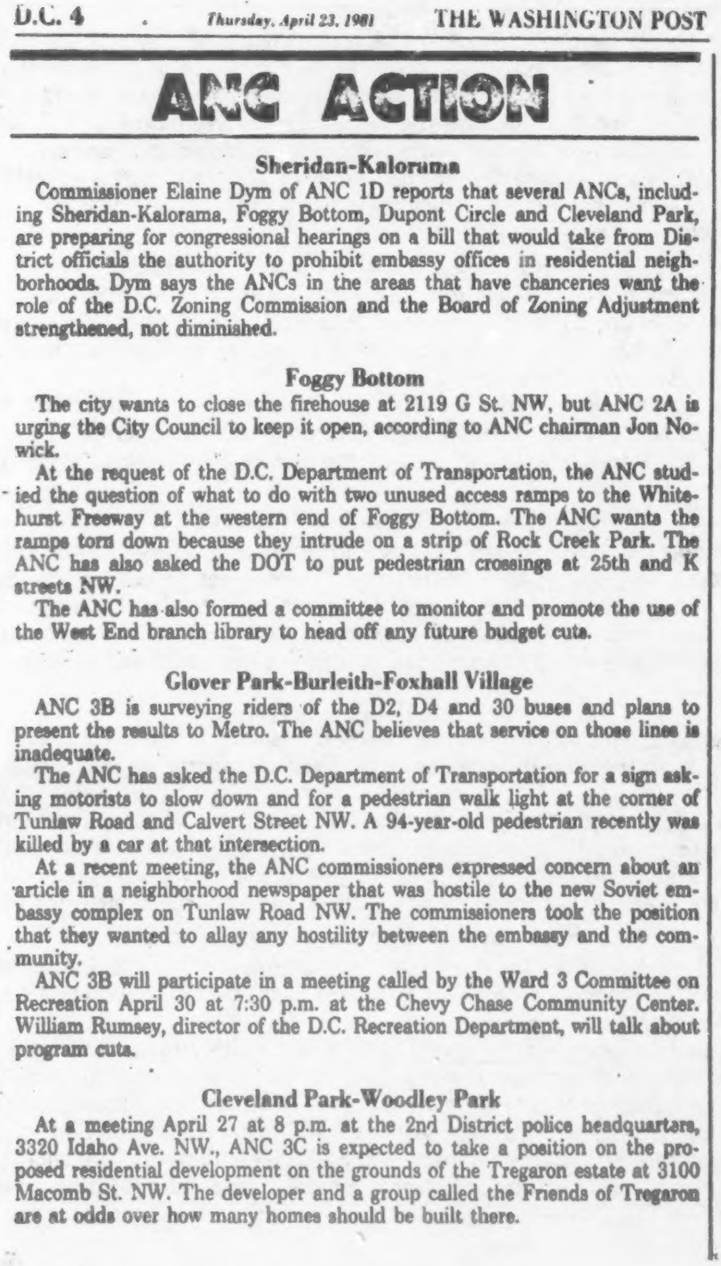
Washington Highlands-Valley Green

ANC 8C has asked the Far Southeast Community Organization for an update on the proposed redevelopment of the Congress Park apartment complex on Savannah Street SE.

Ground breaking was originally scheduled for this spring, and the ANC is concerned about possible displacement of the present tenants, particularly those in buildings that may be lost because of Metro construction on the site.

At the ANC's next meeting, April 21 at 7 p.m. at the 7th District police headquarters at 1324 Mississippi Ave. SE, representatives of tenants' groups that have bought their apartment buildings and turned them into cooperatives will give a workshop on the co-operative conversion process.

—Anne H. Oman



D.C. 4 *Thursday, April 23, 1981* THE WASHINGTON POST

ANC ACTION

Sheridan-Kalorama

Commissioner Elaine Dym of ANC 1D reports that several ANCs, including Sheridan-Kalorama, Foggy Bottom, Dupont Circle and Cleveland Park, are preparing for congressional hearings on a bill that would take from District officials the authority to prohibit embassy offices in residential neighborhoods. Dym says the ANCs in the areas that have chanceries want the role of the D.C. Zoning Commission and the Board of Zoning Adjustment strengthened, not diminished.

Foggy Bottom

The city wants to close the firehouse at 2119 G St. NW, but ANC 2A is urging the City Council to keep it open, according to ANC chairman Jon Nowick.

At the request of the D.C. Department of Transportation, the ANC studied the question of what to do with two unused access ramps to the Whitehurst Freeway at the western end of Foggy Bottom. The ANC wants the ramps torn down because they intrude on a strip of Rock Creek Park. The ANC has also asked the DOT to put pedestrian crossings at 25th and K streets NW.

The ANC has also formed a committee to monitor and promote the use of the West End branch library to head off any future budget cuts.

Glover Park-Burleith-Foxhall Village

ANC 3B is surveying riders of the D2, D4 and 30 buses and plans to present the results to Metro. The ANC believes that service on those lines is inadequate.

The ANC has asked the D.C. Department of Transportation for a sign asking motorists to slow down and for a pedestrian walk light at the corner of Tunlaw Road and Calvert Street NW. A 94-year-old pedestrian recently was killed by a car at that intersection.

At a recent meeting, the ANC commissioners expressed concern about an article in a neighborhood newspaper that was hostile to the new Soviet embassy complex on Tunlaw Road NW. The commissioners took the position that they wanted to allay any hostility between the embassy and the community.

ANC 3B will participate in a meeting called by the Ward 3 Committee on Recreation April 30 at 7:30 p.m. at the Chevy Chase Community Center. William Rumsey, director of the D.C. Recreation Department, will talk about program cuts.

Cleveland Park-Woodley Park

At a meeting April 27 at 8 p.m. at the 2nd District police headquarters, 3320 Idaho Ave. NW., ANC 3C is expected to take a position on the proposed residential development on the grounds of the Tregaron estate at 3100 Macomb St. NW. The developer and a group called the Friends of Tregaron are at odds over how many homes should be built there.

Spring Valley-Wesley Heights-Palisades

ANC 3D has hired an architect-planner and is negotiating with the W.C. and A.N. Miller Co. on a proposed residential development at 49th Street and Massachusetts Avenue NW, chairwoman Lois De Vecchio says. The ANC wants the developer to build 200 large houses rather than 307 smaller ones, include more green space and revise the plan to minimize possible traffic problems.

The ANC also is working on plans for a summer day camp at Horace Mann Elementary School.

AU Park-Friendship Heights

ANC 3E is asking the city to rezone the area around 49th Street and Massachusetts Avenue NW from medium-rise commercial to neighborhood commercial, according to chairman Jack Mower. The ANC proposes that new zoning would prevent future developments similar to Spring Valley Center, which neighborhood residents say is architecturally inappropriate for the neighborhood.

Chevy Chase

After intense debate, ANC 3G voted to support the application of The Shoe day-care center to operate in a residential zone on McKinley Street NW. The Board of Zoning Adjustment recently ruled that The Shoe would have to close, but its operator asked the board to reconsider.

The ANC also voted to oppose the proposed expansion of an Exxon station at Connecticut and Nebraska avenues NW.

Takoma-Brighwood

ANC 4B will meet April 23 at 7:30 p.m. at the 4th District police station, 6001 Georgia Ave. NW. A guest speaker will give tips on starting a vegetable garden.

Petworth-Rock Creek Park East

ANC 4C has asked City Council member Rev. Jerry A. Moore (R-At Large) to expedite the naming of the park at 14th Street and Arkansas Avenue NW for community activist Minnie McClendon, who died March 25.

McClendon was instrumental in turning the former gas station site into a park, and community residents have long wanted to name it after her, but D.C. law prohibits naming parks after living persons.

Capitol Hill-Near Southeast

ANC 6B is tabulating several hundred surveys from area residents concerning the future of the Eastern Market, at 7th Street and North Carolina Avenue SE. Final recommendations on the market will be presented by an outside consultant at a meeting at the market May 7 at 7 p.m.

The ANC is working with the police to organize neighborhood watches in the area around 15th Street SE and around Stanton Park, which have experienced recent increases in crime.

Anacostia-Fairlawn

ANC 6C is urging Metro officials to move the proposed Anacostia Metro station from Howard Road and Firth Sterling Avenue to Good Hope Road and Anacostia Drive where, the ANC believes, the station would be more accessible to area residents.

The ANC is opposing a zoning variance requested by Curtis Bros. to put a row of town houses on W Street SE. According to commissioner William C. Shelton, the ANC wants to postpone such developments until there is an overall land-use plan for the area.

Because of the amount of restoration work in Anacostia, the ANC is starting a minority contractors' job register.

The ANC will list all local minority contractors, such as plasterers and painters, and will give the list to developers and general contractors. For information, call the ANC office at 889-6600.

Anne H. Oman

D.C. 4 Thursday, April 30, 1981 THE WASHINGTON POST

ANC ACTION

Le Droit Park-Cardozo Heights

Howard University's plan to tear down 15 vacant houses in Le Droit Park to build residences for doctors and nurses will be opposed by ANC 1B at a Board of Zoning Adjustment hearing May 25, according to chairman Anwar S. Saleem.

The ANC also is trying to find space for a police substation in the neighborhood, from which the police could conduct community relations programs.

The ANC is still considering its position on two neighborhood issues: the proposed therapeutic hospital to be built by developer Jeffrey N. Cohen on the site of the old Children's Hospital at 13th and V streets NW, and the academic high school scheduled to start next fall at Banneker Junior High School.

Ward 1 Board of Education member Frank Smith has asked the ANC to support the academic high school, but parents of Banneker students are opposed. Banneker students will have to transfer to Garnet-Patterson Junior High, and some parents object to this transfer on the grounds that the school is in a high-crime area and its students have had low standardized test scores.

Mount Pleasant

ANC 1E has "adopted" Bancroft Elementary School, according to commissioner Marshall Brown. At the end of the school year, the ANC will select a student who has excelled academically and award that student a prize.

The ANC also is working with the residents of the Kenesaw Apartments at 16th and Irving streets NW to raise funds for the renovation of the building.

North Cleveland Park-Forest Hills

ANC 3F is opposing a zoning variance for the expansion of the Exxon service station at Connecticut and Nebraska avenues NW. The expansion would involve tearing down three small shops.

The ANC still is assessing its position on the various plans to close Rock Creek Park to commuter traffic. Some residents fear that the closing would put too much traffic on Connecticut Avenue NW.

Capitol Hill-Northeast

ANC 6A is working with community resident Ham Johnson to set up a courtesy patrol to curb crime in the neighborhood. Johnson runs a boxing club, and his students want to serve in such a patrol.

The ANC has asked Capitol Hill Hospital to put an ANC representative on its board of directors to keep the community and the ANC informed about the hospital.

Petworth-Rock Creek Park East

ANC 4C will meet Wednesday at its office at 3905 Georgia Ave. NW at 7:30 p.m. The agenda includes a discussion of the Metro bus garage at 14th and Decatur streets NW, which residents want relocated; budget cuts; and the Upshur Street clinic.

Fort Chaplin-Benning Heights

ANC 7F has presented petitions from neighborhood residents to the U.S. Postal Service protesting the proposed closing of the branch post office at Minnesota Avenue and Benning Road NE. Chairwoman Constance Thompson said many people in the area receive mail at the post office because their mailboxes have been broken into, and that closing the branch would be a serious inconvenience.

The ANC is trying to get the owner of a lot at Texas Avenue and E Street SE to clean up his property. The group also is trying to get the city's erosion control office to do something about water seeping into homes on Burbank Street SE, possibly from underground streams.

The ANC has asked the owners of Woodlawn Cemetery to take better care of the grounds, which the ANC believes detract from the appearance of the neighborhood.

Each ANC 7F commissioner will choose three young people between the ages of 10 and 13 to work for the ANC this summer. The summer employes will work on neighborhood beautification, recycling and voter registration.

Washington Highlands-Valley Green

In a letter to the city's budget office, ANC 8C's chairman, Kellis P. Sylvester, has complained that the recent Ward 8 budgetary presentation was "typical of the format used by government and to discourage community participation." The ANC also has complained to D.C. Department of Housing and Community Development Director Robert Moore that Ward 8 has not received its fair share of community development block grant funds.

Community resident Ruth Richardson will testify on behalf of the ANC at the citywide conference on health May 16. Richardson will focus on the health needs of the elderly.

At a recent ANC meeting, residents of the 900 block of Bellevue Street SE and the 900 block of Southern Avenue SE complained that the police were not responding quickly enough to calls for help. Residents of these new homes have had problems with vandals and burglars. The ANC has asked the police to respond to these complaints and also to cut the high grass on the lawn of the 7th District Police Station.

Far Southeast-Far Southwest

AN[illegible] is seeking volunteers for the Bald Eagle Recreation Cer[illegible] which is und[illegible]affed. Anyone interested should call Ms. Pellerin at 767-7[illegible]08.

ANC ACTION

Adams-Morgan

Advisory Neighborhood Commmission 1C has asked the D.C. Zoning Commission to rezone part of Adams-Morgan currently zoned for industrial use to residential, mixed residential and commercial use, according to Commissioner Ann Hargrove.

Foggy Bottom-West End

Advisory Neighborhood Commission 2A is asking City Council member Charlene Drew Jarvis to refrain from introducing legislation that would allow landlords to convert rental units to hotel units. The apartment building at 925 25th St. NW in the Foggy Bottom area faces possible conversion. The ANC has also formed a committee to help tenants investigate whether landlords are illegally converting units to transient use.

In a recent hearing before the D.C. City Council's committee on transportation, the ANC testified against closing an alley needed by George Washington University to construct a building on Red Lion Row — the 2000 block of I Street NW. The ANC believes that the project, which preserves only the facade of some 19th-century row houses, is too large and is incompatible with the surrounding architecture.

In response to a request from ANC 2C, ANC 2A is supporting a bill introduced by Council member John Wilson (D-Ward 2) designed to curb soliciting by drug pushers and prostitutes.

AU Park-Friendship Heights

A representative of Advisory Neighborhood Commission 3E will testify at a May 18 hearing against Metro's proposal to drop the N1 and N3 rush hour bus routes. According to Chairman Jack Mower, the ANC wants Metro to maintain these bus runs at least until the opening of the Tenley Circle Metro stop.

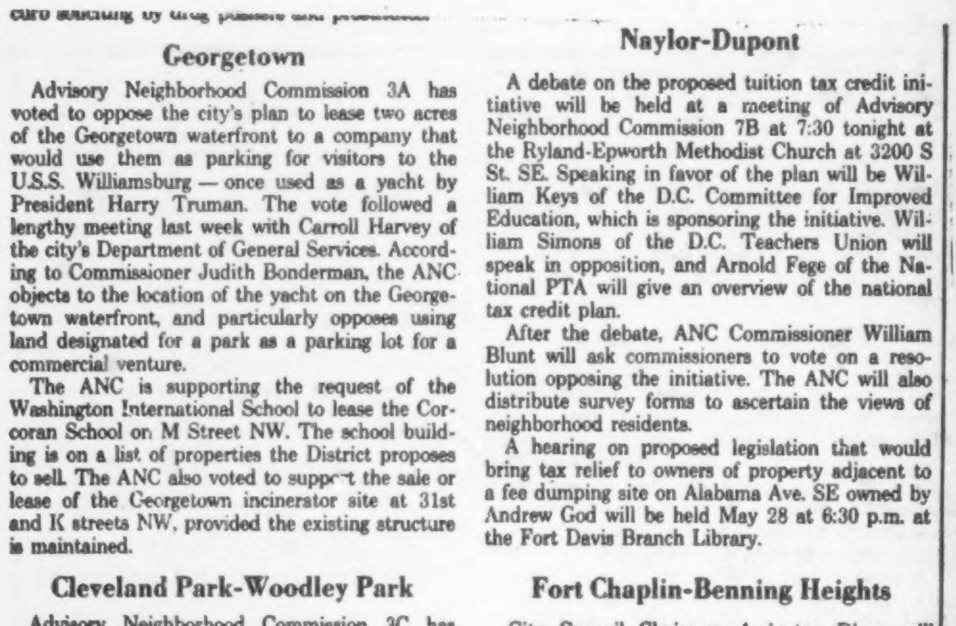
The ANC also plans to oppose an application for a class B (wine and beer) liquor license for 4801 Massachusetts Ave. NW. According to Mower, residents believe there are already too many establishments selling liquor in the area.

At the ANC's next meeting May 14 at 8:00 p.m. at 4025 Chesapeake St. NW, the commission will make a decision about funding for neighborhood projects.

North Cleveland Park-Forest Hills

Advisory Neighborhood Commission 3F has asked the National Parks Service to build an extended bike trail through Rock Creek Park so that bikes can be accommodated without closing roads to cars.

The ANC is still considering its position on the Department of Transportation's plan to reduce commuter traffic on Reno Road, NW. Some neighborhood residents fear the plan could shunt more traffic onto Connecticut Avenue.



curb soliciting by drug pushers and prostitutes.

Georgetown

Advisory Neighborhood Commission 3A has voted to oppose the city's plan to lease two acres of the Georgetown waterfront to a company that would use them as parking for visitors to the U.S.S. Williamsburg — once used as a yacht by President Harry Truman. The vote followed a lengthy meeting last week with Carroll Harvey of the city's Department of General Services. According to Commissioner Judith Bonderman, the ANC objects to the location of the yacht on the Georgetown waterfront, and particularly opposes using land designated for a park as a parking lot for a commercial venture.

The ANC is supporting the request of the Washington International School to lease the Corcoran School on M Street NW. The school building is on a list of properties the District proposes to sell. The ANC also voted to support the sale or lease of the Georgetown incinerator site at 31st and K streets NW, provided the existing structure is maintained.

Cleveland Park-Woodley Park

Advisory Neighborhood Commission 3C has gone on record in opposition to the District's proposal to sell bonds to finance non-capital expenditures. The ANC, along with other civic groups, is trying to persuade the House District Committee to schedule additional hearings to allow opponents of the bond proposal to testify.

Although the ANC has not yet taken an official stand on the plans to develop the Tregaron Estate on McComb Street NW with 185 townhouses, ANC representatives Gary Kopff and Charles Szoradi detailed some of the community's concerns about the plans at a recent informal presentation to the Joint Committee on Landmarks. The ANC is concerned about the number of houses and possible drainage and traffic problems.

The ANC is considering a request by the Woodley Park/Cleveland Park Businessmen's Association for $50 to help finance a crime prevention project. The money would be used for decals to identify members of the association — shopowners along Connecticut Avenue between Calvert and Porter streets NW. A member who spotted suspicious activity would then warn other members.

Naylor-Dupont

A debate on the proposed tuition tax credit initiative will be held at a meeting of Advisory Neighborhood Commission 7B at 7:30 tonight at the Ryland-Epworth Methodist Church at 3200 S St. SE. Speaking in favor of the plan will be William Keys of the D.C. Committee for Improved Education, which is sponsoring the initiative. William Simons of the D.C. Teachers Union will speak in opposition, and Arnold Fege of the National PTA will give an overview of the national tax credit plan.

After the debate, ANC Commissioner William Blunt will ask commissioners to vote on a resolution opposing the initiative. The ANC will also distribute survey forms to ascertain the views of neighborhood residents.

A hearing on proposed legislation that would bring tax relief to owners of property adjacent to a fee dumping site on Alabama Ave. SE owned by Andrew God will be held May 28 at 6:30 p.m. at the Fort Davis Branch Library.

Fort Chaplin-Benning Heights

City Council Chairman Arrington Dixon will speak on revenue bonds and no fault insurance at the next meeting of Advisory Neighborhood Commission 7F at 7:30 p.m. May 19 at the Benning-Stoddert Recreation Center, Stoddert Place and E. Capitol Street SE. Ward 7B Council member H. R. Crawford will also be on hand to answer questions. The ANC hopes to have a representative of the U.S. Postal Service to explain proposed changes in the operation of the Benning Road post office.

Congress Heights-Anacostia

Advisory Neighborhood Commission 8A recently voted to support the request for a zoning variance to allow Dr. Oswald Thompson to open a children's dental clinic in the 3600 block of Martin Luther King Avenue SE, according to chairman Almore M. Dale. The ANC also voted to join ANC 8B in objecting to a proposal by city housing officials to include a convenience store in the planned Knox Hill housing complex.

—Anne H. Oman

STATEMENTS OF:

JOAN ELLIS TILLMAN, NATIONAL BLACK CHILD DEVELOPMENT INSTITUTE
HELEN TAYLOR
MARY D. KEYSERLING
SHELLY GREENE
MARIA FLORES
SISTER BERNADETTE

Senator D'Amato. Joan Tillman. I understand you have a panel, Mrs. Helen Taylor, Mrs. Keyserling, Shelly Greene, Maria Flores, and Sister Bernadette.

You are speaking in behalf of the National Black Child Development Institute.

Ms. TILLMAN. Yes. We decided to have a panel, Mr. Chairman, in order to——

Senator D'AMATO. Just for the record, give your name.

Ms. TILLMAN. My name is Joan Ellis Tillman. Today I am here to represent the Washington metropolitan affiliate of the National Black Child Development Institute, of which I am the president. And we decided to represent the community on behalf of various organizations. I will take the time now so that each person will be able to read their testimony. I will be last. Thank you.

Ms. KEYSERLING. My name is Mary Dublin Keyserling, and I am a consulting economist. I have undertaken many studies of day care in recent years, among them a book, "Windows on Day Care."

I am a former Director of the Women's Bureau, U.S. Department of Labor, and held other posts too numerous to mention. I testify today on behalf of the District of Columbia Mayor's Commission on Early Childhood Development, of which I am a member.

We wish strongly to urge that the Mayor's request for an additional allocation for child day care of $986,300 be approved and retained in the city's budget. The need for increased funding for day care is urgent. It is essential to sustain existing services, the cost of which has been rising. It is not sufficient to provide the additional services greatly needed and which would more than pay for themselves.

Our city's day care needs relative to our population are, I believe, the highest in the country, for the labor force participation of our working mothers with children under 13 years of age is higher than in any other city.

I might add it is much higher in the city of New York. I did a study of day care for the Mayor of New York.

Over half of these mothers do not have husbands present, as compared to less than 25 percent in the Nation as a whole. These mothers are concentrated in low-income jobs. Many are poor. Our poverty rate in the District considerably exceeds the national average. The District has a high percentage of working mothers who earn too little to purchase adequate care for their children and who need day care subsidy if they are to hold their jobs.

The city has lent a helping hand and it is to be commended. Its day care budget has risen in recent years but at a considerably lower rate than rising costs. As a result the number of children in funded care has diminished.

The additional $986,300 budgeted should be able to prevent further drastic cuts in services for the coming year but it will not make up for recent reductions in services due to inflation nor make it possible to keep pace with rising needs due to the mounting labor force participation rates of mothers.

If this essential item in the budget is reduced and funded day care services are further curtailed the city will pay a very disturbing price both in economic and human terms. Many mothers now employed or in job training, whose children receive funded care, will have to quit their jobs and this will add to public assistance costs.

The Federal and District governments will be deprived of their tax payments. Society will suffer a serious loss should more children be deprived of developmental day care.

A recent comprehensive study conducted by the High/Scope Research Foundation in Michigan, reports that preschool education of low-income children has resulted in higher academic performance, lower delinquency rates, and better earning prospects.

The study indicates that for every dollar spent for 2 years of funded preschool education about $2.50 were saved. In other words, our day care subsidies are more than paid back over the years. Because they are one of the best investments of our times we deeply hope the requested increase in the city's budget for this most vital purpose will be approved.

Mrs. FLORES. My name is Maria E. Flores. I have been a Washingtonian for 4 years. I represent the group of parents from SED Preschool. I have two daughters, Lissett, 5 years old, and Jessica, 7 years old. Lissett has been in the SED Preschool for 3 years.

I would like to tell you of the hardships that are suffered while waiting for spaces in day care. We don't wait 1 month, but many months, and with no exaggeration some parents never are able to get day care. This exposes children to extreme neglect and abuse which at its worst has led this year to an incident of a child being beaten to death, and children being left in playpens the entire 4 years of their life.

The reason is the limited number of spaces compared to the great number of children in the community who need it. This community is one where there are many single parents, and minority parents, what is more, many of us don't speak English fluently yet. Because of this we work in the service and other low-paying jobs.

We are hard-working people who need day care since even when both parents work the income cannot pay for private day care.

What happens to the children who never obtain day care? Many seek child care that is grossly inadequate and unlicensed. When they enter the first grades of our public schools, they have serious problems.

Those children who receive barely adequate care enter the public school as problem children;

We all have heard about our public school children who fail because they don't know Engligh. Without day care, Spanish-speaking children lose a chance at learning English before first grade. SED Center teachers reinforce the first language and teach English.

The children who receive day care develop more abilities beginning with age 3 they progress in love learning, social behavior, and a desire to become good citizens. Little by little these children acquire the necessary adult skills they are the seeds which become a flower participating fully in the English-speaking world of this city.

As mothers, we know the preschool years are the most crucial for learning. This is supported by the great pioneers in the field of early education.

Our day care centers have become centers where the whole family as a unit working together for the betterment of the community. We need more space for day care. I anticipate that you will make day care your priority. Thank you.

Senator D'AMATO. Thank you very much.

Sister BERNADETTE. My name is Sister Bernadette, director of St. Francis Child Development Center in southeast Washington. I am here to ask you especially to approve the requested increase of funding of $986,000 to child care centers.

The area of southeast Washington has few funded centers. Calls come in daily from parents who cannot afford programs that have quality care and learning programs at their salary, which is usually minimum wage.

Many of our families also live in lower income housing and good quality care can cost about $64 per week per child. This is a barrier for the children who need this program the most.

Parents deserve as they struggle to earn a living to leave their child where his or her child's needs will be met; needs which will foster their development as human beings. Good programs provide health and nutrition, everything possible to create and sustain and intact, healthy and well-nourished child.

Senator D'AMATO. Sister, if I might be permitted the opportunity to interrupt your testimony, I have just indicated to Mr. Leeth and dictated to him some report language that will appear in this subcommittee's report. I will suggest that also you might have every reason to believe that the Members in the House will join in indicating that the projected increase for day care and the budget as proposed by both the Mayor and the Council vis-a-vis increase of some $900,000 be approved and that we indicate our strong support for the full funding inasmuch as this is a priority area of giving youngsters, No. 1, a healthy atmosphere, and No. 2, providing an opportunity for those who otherwise might not be able to participate in the American work ethic. You can't become a work ethic unless you give them the opportunity to do that.

So in furtherance of our national goals, aspirations, that this be a priority. So this committee's report will be my recommendation that there be that language contained in the report.

Ms. GREENE. We would like to thank you very much, Mr. D'Amato, and I am a parent and I like to personally invite you to our day care festivities on Saturday, June 13, at 1 o'clock—it is between 1 and 6. It is at 12th and East Capitol Streets, between southeast and northeast.

Senator D'AMATO. I would like to accept. I think I am going to be at a commencement up at New York Tech this Saturday, though. But I thank you for the invitation. Maybe sometime in the future we will be able to avail ourselves of your hospitality.

Ms. GREENE. Thank you. We appreciate the recommendation by your committee.

Ms. TAYLOR. Mr. Chairman, my name is Harriet Taylor, executive director of the National Child Care Association. I speak on behalf of the children, parents, staff and board members who participate in our 21 child day care centers. We serve approximately 1,200 children between the ages of 2½ and 12 years of age in the District of Columbia. We provide a comprehensive program for those children and families.

I won't go into the rest of my testimony in light of the remarks that you just made. I want to commend you for your stance, for the National Child Day Care Association firmly believes in day care as an economic support.

Senator D'AMATO. Thank you so very much.

Let me thank all of you for coming in and sharing with us your concern. Let me comment you for the work that you do in making available the very necessary component to both providing a strong family structure and providing an opportunity for people to do for themselves.

Otherwise many of them would be deprived as a result of there being no opportunities for decent and adequate care for their children.

I thank all of you for coming in.

Ms. TILLMAN. I would like to thank you also as far as the day care community and on behalf of the chairman of also the Mayor's Commission on Early Child Development. We appreciate your stand and we look forward to future talks with you and your staff and again, thank you very much.

Senator D'AMATO. Thank you.

[The statements follow:]

STATEMENT OF HELEN TAYLOR

My name is Helen Taylor and I am the Executive Director of the National Child Day Care Association and speak on behalf of the children, parents, staff and Board members who participate in our 21 child day care centers. We serve about 1200 children between two and one half and twelve years of age, and their families, all residents of the District of Columbia. Our program is comprehensive and provides education, health, nutrition, social services, parent involvement and services for the handicapped.

National Child Day Care Association is indeed pleased that the Mayor and the Council have requested an increase of $986,000 for day care services. These services are desperately needed in our city--70% of the families, in the District of Columbia, with children 12 years or younger need some form of child care because either both parents work or it is a single parent household. There are a variety of day care services offered by the District. The city offers infant care, preschool care, family day care homes, and before and after school care. But the demand for service far exceeds the available resources. Inflation and looming federal cuts already threaten the existing services. For example, in FY '80 DHS served over 100 infants yet the demand for infant care is growing. Currently there is a waiting list of over 400 infants needing care, parents are calling to place their children on the waiting list before the child is born in hope a vacancy might occur by the time the child needs the care. The demand for preschool is also high especially in the Hispanic community and the far northeast and southeast sectors of the city.

Before and after school care is also a concern--the anxiety regarding "latch key" children and the need for schoolage care has been heightened since the tragedies in Atlanta.

It is important to note that day care allows many persons to become taxpayers, the lack of day care services forces many persons to remain on welfare (AFDC)-- a more expensive and undesirable result. Day care is cost effective and an economic support to families.

On January 19, 1981 the New York Times noted that a study in Cambridge, Massachusetts of 13,000 children in publicly subsidized day care centers in the state indicated that 70% of the welfare families enrolling their children do so in order to work or seek work. The study also found that 800 of the families with children enrolled in subsidized day care qualified for welfare payments but chose not to accept assistance. A state official was quoted as stating "those 800 people who do not go on welfare are significant, because their determination delays their entry into that welfare cycle and perhaps will keep them off." This study reinforces National Child Day Care Association's belief that day care is an economic support to families. It fosters independence for both parents and children. Day care impacts on children, parents, and society as a whole today and tomorrow.

At minimum the requested increase for day care services should be approved even though an additional $900,000 to cover the FY '80 Congressional cut would be appreciated. Even though there is an increase, the fact is given the increased demand for child care, skyrocketing inflation, and the reductions in federal programs will result in the day care commmity simply treading water.

In closing, please don't let us sink. Please approve the dollars necessary to support day care in the District of Columbia.

STATEMENT OF JOAN ELLIS TILLMAN

Good afternoon, my name is Joan Ellis Tillman and I am president of the Washington Metropolitan Affiliate of the National Black Child Development Institute. I am pleased to have the opportunity to testify before the Subcommittee on District of Columbia, Senate Appropriations Committee.

As a community activist and professor of Early Childhood Education, I have observed the governments policies towards Black families. All too often, programs intended to enhance the quality of educational programs for young Black children have been constantly recommended to be decreased in funding or discontinued.

However, it is most unfortunate that such a malaise lies with society itself.

The District of Columbia is in need of increased day care appropriations for children of parents who are achieving or maintaining economic self-support in order to prevent, reduce, or eliminate their dependency on public assistance. The District of Columbia is also in need of increasing its present number of available day care spaces in order to prevent or remedy neglect, abuse or exploitation of children who are unable to protect themselves.

Care, supervision and guidance provided to children in care outside of their homes enables parents to obtain training and to secure and continue employment.

There is a critical need for increased services for infants and pre-school aged children, many of whom have parents who are only children themselves and who need to return to school to complete their public school training. This is the group that is at the highest level of risk of infant mortality.

The longitudinal study, Lasting Effects After PreSchool, published in 1977 by the Office of Education, the following findings were determined:

.Early education significantly reduced the number of low income children assigned to special education classes

.An average affect across projects of preschool experience reducing, the incidence of grade failure among low income children

.Children who participated in preschool intervention programs were more likely to meet at least the minimal standards of their schools

.Early education positively affected lasting school performance independently of the effects of the early background measures

.Children who had the early childhood experience had better self images

Therefore, this research indicates the need for continuation and not reduction in funding for Day Care and infant programs.

Finally, the Washington Metropolitan Affiliate would like to recommend that the additional $986,300 requested by the Mayor of our city be strongly considered for appropriations. Provided the request is granted, it will provide the opportunity for more needy children to receive services and their parents will have the opportunity to achieve or maintain self-sufficiency, including the reduction or prevention of dependency.

STATEMENT OF ROBERT BOSTICK, ASSOCIATION FOR RETARDED CITIZENS

Senator D'AMATO. Robert Bostick, Association for Retarded Citizens.

Mr. BOSTICK. Thank you, Mr. Chairman. I am Robert L. Bostick, chairman of the Governmental Affairs Committee of the District of Columbia Association for Retarded Citizens.

We have been in existence for more than 30 years now, providing services for mentally retarded citizens. Currently, we are reaching through direct services more than 700 mentally retarded persons annually on a citywide basis; and at Forest Haven.

Before going into our concern about the District budget, we wish to ask your support in opposing some of the devastating budget cuts requested in the administration's economic recovery program, particularly as they are combined with block grant approaches. We feel that it will have devastating effects on the program, effecting mentally retarded and other handicapped people.

Mr. Chairman, I will try to summarize as much as I possibly can.

Senator D'AMATO. Yes, please.

Mr. BOSTICK. I would like your indulgence.

Senator D'AMATO. I have got your testimony in detail here. I understand your concern for this important area and also I have had the opportunity of taking both the written and verbal testimony yesterday of the administration's—vis-a-vis Forest Hill's—facility and the—Forest Haven. I am used to coming from Rhode Island. We have Forest Hills. It is Forest Haven and the fact that there is an outstanding court order and the fact that there is a commitment toward seeing that the proper facilities and placement of those who should not be denied an opportunity to live in an environment that does not have the constraints of Forest Haven be provided.

I can assure you that the administration is cognizant of some of the anticipated problems that may develop as a result of block grants, the combination of that, and the human health service needs, legitimate needs that might not be provided for in an admittedly new era.

Consequently, as you know, there has been a task force that has been set up by the President, relationship specifically to the District of Columbia. I will ask that that activity, that we monitor that activity and that we be part of that. As a matter of fact, I asked the people from Health and Human Services yesterday at the District level to please advise us.

I said a rather modest date, I think we said 60 days because they probably should have some kind of information developing from that task force. We would be more than willing to share with you that information. But additionally, I ask you if you couldn't share your resources and your information with us and with the committee in an ongoing attempt to see if we might be able to provide some legislative relief in the future for wherever those inadequacies might develop.

The block-grant program has been held out by some to be the panacea to answer all the questions. There may be many problems that are not solved or gaps. I think we have to be in the position and I think the administration recognizes it to take up and deal with some of those gaps because those gaps will be tragedies for many people if allowed to continue.

So let me assure you and, first, because time is running out, I will be forced to leave within the next few minutes, and I would like to get the opportunity at least to get some other people up here, I understand the flavor and the impact of your statement and what is taking place.

I assure you of our continued interest in this area. It is not an easy situation. I have dealt with the court-ordered discharge of patients into a community. It is not easy for the community, it is not easy for the government, it is not easy for the people themselves who are many times the most victimized as a result of having inadequate planning and inadequate facilities outside of the traditional settings that heretofore have been the modality for their treatment or for their housing.

So it is not an easy problem. It is not an easy answer. To the best of our ability we will try to be cognizant of it so that we can work with the kinds of legislative programs that might afford some relief.

Mr. Bostick. Thank you, Mr. Chairman. Just one or two other points I wish to invite your support so that in compiling the final budget these matters will not be overlooked. We know that the city government does give the perception as best they can, I suppose, of supporting all of these programs, but although they are under the court decree to deinstitutionalize the Forest Haven, there is a $50,000 cut in the Community Services Administration budget which is designed specifically for deinstitutionalization.

Last year there were almost 100 persons targeted by the court and this year out of more than 100 scheduled to be deinstitutionalized, only 9 so far. So these are problems that we wish, that we invite your committee to clearly monitor and see that these things are carried out.

One other matter is that our organization met with Mrs. Polly Shackleton last November to request funding to be transferred for a program to provide services for mentally retarded persons who have become too old for the school program and yet their parents have struggled throughout the years and have never institutionalized them.

Now they need services.

The District 2 years ago passed Public Law 2-137, which provides for this type of community service. There is a report attached to our statement from Mrs. Shackleton's committee in which $400,000 was found for this particular program. Yet, the city budget, the mayor's budget as submitted, earmarked those funds for deinstitutionalization of Forest Haven. These funds are not to be mixed. So we would ask as you are monitoring of that also.

Senator D'AMATO. I will ask for a report from the Mayor in terms of the question that you raise.

Mr. BOSTICK. Thank you. The public school system, I suppose you have heard enough about that now. But we are strongly alarmed about the proposed cuts in the school services and the devastating effect upon handicapped children, particularly the young retarded. We would hope and from what I have heard from you this afternoon, I am sure that you will do what you can to see that these cuts are minimized.

One last point, which deals with the Vocational Rehabilitation Services Administration, the administration, the city administration, has a $410,000 cut. When we pointed this out to them, we were told it was an error. What we want now is that the funds would be placed back in the budget.

Senator D'AMATO. Pursuant to your inquiry as to whether or not there was a $410,000 error on vocational rehabilitation, I will ask that we make formal inquiry in regard to that and what plan if any has the city advised, will they be advising us on to deal with that. Will there be a reauthorization, or reallocation of those proceeds? So we will send them a letter, and have a copy supplied to you in terms of both of our inquiry and their response.

Mr. BOSTICK. Thank you very much, Mr. Chairman. This is one program that really makes taxpayers from tax recipients. If I could just give you one personal example, my own child is 33 years old now. When she was 2½, she was judged mentally retarded. The doctor recommended we place her in Forest Haven. We refused to accept that. From that point on we have been working feverishly through the school programs, et cetera, for mentally retarded persons. To make a longer story short, she has been working for the public school system for 10 years now as a teacher's aide in the special education program.

Through those 30 years, had she been placed in Forest Haven, the conservative estimate of the cost to the government of her, just her being there, would have been $300,000. As it is, she has paid in taxes, the last tax period, payment for 1980, only $15,000 in Federal and District of Columbia tax.

Senator D'AMATO. Mr. Bostick, there is no more better example than the one you just cited. I want to commend you for your being ahead of yourself and ahead of your time in dealing with that situation in a very courageous way. Thank you for coming in.

[The statement follows:]

STATEMENT OF ROBERT L. BOSTICK

Mr. Chairman, I am Robert L. Bostick, Chairman of the Governmental Affairs Committee of the D. C. Association for Retarded Citizens. For more than 30 years, DCARC has served as the public voice for mentally retarded people in the District, working to ensure that this segment of our population has the opportunity to enjoy a meaningful, productive life. DCARC also has developed a comprehensive array of direct services that currently reach more than 700 of these persons annually on a city-wide basis and at Forest Haven.

Before launching into our concerns about the District's proposed FY 82 budget, we wish to ask your support in opposing some of the devastating budget cuts requested in the Reagan Administration's Economic Recovery Program. If these cuts, as currently proposed, are approved, the results will make a virtual shambles of basic programs that have allowed mentally retarded and other handicapped citizens to become tax payers instead of tax recipients. There is little doubt that the proposed cuts, coupled with the block grant approach, will leave many mentally retarded and other handicapped citizens without even basic services.

Turning now to the District's budget, allow me to initially discuss Forest Haven and other related programs under the Mental Retardation/Developmental Disabilities Administration of the Department of Human Services.

We are stunned by certain of the requests and their obvious inconsistency with contemporary philosophy and law as particularly expressed in the Pratt Decree, which orders the eventual closing of Forest Haven and the transfer of all residents into community services.

There is an overall requested increase of $3,826,000 and 49 positions for the Mental Retardation/Developmental Disabilities Administration. The mind-boggling feature of this proposal is that the requested increase is almost entirely directed to Forest Haven with, as a net effect, a $50,000 reduction in the Community

Services Bureau budget, the unit charged with carrying out deinstitutionalization efforts.

We fully recognize the continuing deficiencies in the operation of the institution, as exemplified by the facility's loss of eligibility to participate in the federal Medicaid program. However, we are astounded that no increases are requested to achieve the District's deinstitutionalization objectives. The budget states that 100 persons will be outplaced from Forest Haven in FY 82. How? When the Community Services Bureau budget is actually reduced for those purposes. Can these placements be accomplished without funds or within the framework of existing funds? And if this is so, why has the District lagged so far behind in meeting deinstitutionalization goals to date with only 14 persons of a mandated 110 outplaced in the fiscal year ended September 30, 1980?

It may be useful to clarify the basis of our contention that the Community Services Bureau budget actually has been reduced for deinstitutionalization purposes. The budget indicates a requested increase of $351,300 for the Community Services Bureau. However, it should be recognized that the City Council in its review of the budget moved $400,000 into this bureau for purposes of implementing D. C. Law 2-137, "The Mentally Retarded Citizens Constitutional Rights and Dignity Act." These funds are intended to create community services for mentally retarded adults never institutionalized but who need services. Before the Council's action, the previously mentioned $50,000 reduction appeared in the proposed budget and we assume it still exists as regards creating community services for mentally retarded persons at Forest Haven. We are concerned that the budget submitted to the Congress is not more clear on this point. In fact, the budget states these funds are for "deinstitutionalization" which is inconsistent with the intent of the City Council Committee on Human Services as clearly expressed in the attached report dated November 6, 1980. Thus, we request this committee to clarify with the District its intent on this matter and thereafter include language in its report on the purpose of this $400,000, an amount we contend is for implementation of D. C. Law 2-137.

These funds are vitally needed since we are locating increasing numbers of mentally retarded adults whose parents have struggled to keep them out of institutional settings, yet may need services. D. C. Law 2-137 was designed to create services for these retarded citizens and this $400,000 represents funding toward fulfilling that purpose.

Even though it is encouraging to note the increase of slightly more than $3 million requested for Forest Haven, we are gravely concerned about conditions at the institution and harmful effects upon residents there. In fact, further court action is currently being sought by both the Department of Justice and the Anitoch School of Law because of conditions at the institution and shortfalls in outplacements.

As mentioned earlier, conditions in the Medicaid Services Division, which houses approximately 400 residents, deteriorated to such an extent that Medicaid certification was withdrawn by the federal government.

Even though the residency requirement has been lifted, staff vacancies continue. At one point earlier this year, one in every six jobs at the institution was vacant. And though the vacancy level recently has been reduced, shortages remain. Furthermore, even if all vacancies were filled, there still would exist an inadequate supply of personnel in areas such as physical therapy, occupational therapy, special education teachers and other disciplines.

Many residents still are without programs and services, particularly a large number of adults in the Residential Services Division. Many have no individual comprehensive evaluations, no habilitation plans and no services designed to enhance growth, development and self-sufficiency.

Often in the recent past, the institution has been without adequate quantities of even basic supplies. Medication levels have been so low at times that staff were required to purchase needed drugs from their personal funds to avoid the disastrous situation of residents being totally depleted of medicine. For months, the institution was without toilet paper, diapers and other basic supplies. And during the final two months of FY 80, food supplies were virtually exhausted because of failure to make any new purchases.

We are fearful that the FY 82 proposed budget, even with increases, is still inadequate to address these basic concerns. The previous Superintendent of Forest Haven conceded, while still in the post, that unless 200 persons are outplaced in FY 81, the fully funded FY 82 request will bring about no improvements in conditions at Forest Haven. The city has established a goal of only 100 outplacements for FY 81 and, to date, has moved nine residents. Even though several new group homes are planned, we are clearly heading for more problems.

Mr. Chairman, we know you are aware of the critical budget difficulties currently faced by the D. C. Public School System, a situation that could lead to further major reductions in the city's educational programs which already have absorbed substantial decreases. We ask that you not only support the full request for the school system but that this committee increase the appropriation to help offset the impending budgetary shortfall of $22.2 million. Cuts in pre-school programs, and other early intervention efforts, and in Resource Teachers will only result in guaranteeing educational lags and the increased probability of more children becoming tax recipients instead of tax payers as adults. This is particularly true of handicapped children, who, it has been shown, benefit so markedly from early educational programming.

Youth Services Administration

The Youth Services Administration provides services to delinquent youths and persons in need of supervision (PINS). The Committee approves the budget request of $14,856,700 and 497 positions.

Councilmember Rolark expressed her concern with respect to future use of the Receiving Home. The Department had assured the Committee that the Receiving Home would not be closed and would still be used as a 24-hour holding station for juveniles awaiting court hearings.

* Mental Retardation and Developmental Disabilities Administration

The Mayor's request for this administration includes $20,409,900 and 850 positions for Forest Haven--an increase of $3,568,400 and 73 positions; and $4,343,600 and 34 positions for the Community Services Division--a decrease of $48,700 and an increase of 3 positions.

The Community Services Division is responsible for providing living arrangements and programs for those Forest Haven residents who have been placed in the community. The Committee expects that this budget will increase substantially in fiscal 1982 as additional persons move into community placements.

The Committee is concerned that there are no resources identified in the budget for provision of services to persons who have petitioned the Court under D.C. Law 2-137. We heard testimony that almost all of the persons who have thus far completed the process mandated by the law are awaiting placements since there are no appropriate facilities in the District. Families who have supported their retarded children at home find themselves without services once the children are past school age. Since persons who were institutionalized at Forest Haven can expect community placement and support services, we agree with the D.C. Association for Retarded Citizens that the lack of funding for D.C. Law 2-137 is truly discriminatory.

The Committee approves $20,009,900 and 820 positions for Forest Haven and $4,743,600 for the Community Services Division. We have identified the additional $400,000 specifically for the development of services in the District of Columbia for persons petitioning the Court under D.C. Law 2-137, since there are currently no funds appropriated for this purpose. The Committee denies 30 of the requested 73 additional positions at Forest Haven, noting that the institution currently has 130 positions vacant. The Committee therefore approves a total budget for the Administration of $25,736,300 and 888 positions.

In addition the Committee expects to receive major reprogrammings redirecting additional budget authority to the Community Services Division as Forest Haven residents are placed in community living arrangements, so that there is an equitable distribution of resources between those persons who are deinstitutionalized and those who will remain in Forest Haven in fiscal 1982.

Chairman Dixon expressed his concern that the Department meet the court mandated outplacement of 100 additional persons from Forest Haven remaining in the FY 1980 requirement as well as the 99 outplacements for FY 1981 and asked that the sum necessary to accomplish this be identified.

* Council Committee on Human Services Report dated November 6, 1980

FY82 [illegible] CONTROL [illegible]SPONSIBILITY CENTER & CLASS SUMMARY

FUND General
AGENCY Department of Human Services
CONTROL CENTER Mental Retardat. Developmental Disabilities Administration (MR)
5

		APPROPRIATED AUTHORITY								OTHER OBLIGATIONAL AUTHORITY					
	RESPONSIBILITY CENTER	FY 1980 BUDGET		FY 1981 BUDGET		FY 1982 REQUESTED		FY 1981-FY1982 NET CHANGE (+/-)		FEDERAL FUNDS		PRIVATE & OTHER FUNDS INTRA DISTRICT SALES		FY 1982 GROSS OBLIGATION BUDGET	
Code		Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
MHMR	Office of the Administrator			5	92.8	5	160.0	...	+ 67.2					5	160.0
MRCA	Developmental Service Center			26	583.7	29	822.8	+ 3	+ 239.1			3	49.4	[illegible]	87[illegible]
MRFH	Forest Haven			777	16,841.5	820	20,009.9	+ 43	+ 3,160.4			7	92.7	827	20,102.6
MHSC	Community Services			31	4,392.3	34	4,743.6	+ 3	+ 351.3					34	4,743.6
	TOTAL CONTROL CENTER			839	21,910.3	888	25,736.3	+ 49	+ 3,826.0			10	142.1	898	25,878.4
11	Regular Pay - Continuing Full Time				11,064.4		12,467.3		+ 1,402.9						12,467.3
12	Regular Pay - Other				74.5		74.5		....				129.2		203.7
13	Additional Gross Pay				1,019.1		1,055.0		+ 35.9						1,055.0
14	Fringe Benefits - Current Personnel				1,241.6		1,238.8		- 2.8				12.9		1,251.7
	TOTAL PERSONAL SERVICES				13,399.6		14,835.6		+ 1,436.0				142.1		14,977.7
20	Supplies & Materials				1,932.2		1,814.8		- 117.4						1,814.8
30a	Energy				1,154.2		2,469.9		+ 1,315.7						2,469.9
30b	Communications				23.6		63.7		+ 40.1						63.7
30c	Building Rent				110.6		308.6		+ 198.0						308.6
40	Other Services & Charges				2,499.5		3,104.4		+ 604.9						3,104.4
50	Subsidies & Transfers				2,488.7		2,901.6		+ 412.9						2,901.6
60	Land & Buildings				....		....		....						....
70	Equipment & Equipment Rental				301.9		237.7		- 64.2						237.7
80	Debt Service				....		....		....						....
	TOTAL OTHER THAN PERSONAL SERVICES				8,510.7		10,900.7		+ 2,390.0				....		10,900.7
	TOTAL CONTROL CENTER				21,910.3		25,736.3		+ 3,826.0				142.1		25,878.4
	End of Year Employment (CFT)				723		792		+ 69						792
	Average Employment (CFT)				754.2		790.9		+ 36.7						790.9
	Average Salary (CFT)				16,899		17,028		+ 129						
	All Other Average Employment														

SELECTED OBJECT DATA		FY 1979 ACTUAL	FY 1980 BUDGET	FY 1981 BUDGET	FY 1982 REQUESTED	FY81-82 NET CHANGE (+/-)
	Overtime	1,924.5	708.3	708.3	708.3	....
	Travel & Conference Fees	20.4	42.0	67.8	67.8	....
	Professional Services, Fees & Contracts	822.5	1334.0	1991.2	1287.2	- 704.0

DISTRICT OF COLUMBIA GOVERNMENT FY82 $ THOUSANDS DETAIL OF ADJUSTMENTS TO APPROPRIATED AMOUNTS

FUND General AGENCY Department of Human Services CONTROL CENTER Mental Retardation and Developmental Disabilities Administration

B.

Explanation of Adjustment	Object Class	Base Available		Base Reductions (–)		Transfers				Redirections				Adjustments					
						In (+)		Out (–)		In (+)		Out (–)		Total (+/–)		Increases (+)		Net Change (+/–)	
		Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Increase in Full Time Employment	11	839	11064.4							+79	+ 1402.9			+79	+1402.9			+79	+ 1402.9
Increase in Premium Pay	11		1019.1								+ 35.9				+ 35.9				+ 35.9
Decrease in Benefits	14		1241.6										– 2.8		– 2.8				– 2.8
Decrease in Supplies and Materials due to change in needs	20		1932.2										–117.4		– 117.4				– 117.4
Increase due to inflation																			
Energy	30a		1154.2								+ 1315.7				+1315.7				+ 1315.7
Communications	30b		23.6								+ 40.1				+ 40.1				+ 40.1
Building Rent	30c		110.6								+ 198.0				+ 198.0				+ 198.0
Increase in Other Services and Charges due to Inflation	40		2499.5								+ 604.9				+ 604.9				+ 604.9
Decrease in Equipment due to the realignment of funds	70		301.9										– 64.2		– 64.2				– 64.2
Reduce staff as patients deinstitutionalized				–30										–30				–30	
Increase in Subsidies and Transfers to care for deinstitutionalized residents	50		2,488.7								+412.9				+412.9				+412.9
Total Agency		839	21835.8	–30						+79	+ 4010.4		–184.4	+49	+3826.0			+49	+ 3826.0

STATEMENTS OF:

REV. ROBERT TROUTMAN, RELIGIOUS COALITION FOR ABORTION RIGHTS

LESLIE HARRIS, CIVIL LIBERTY UNION OF THE NATIONAL CAPITAL AREA AND DISTRICT OF COLUMBIA ABORTION RIGHTS COALITION

Senator D'Amato. I would be less than candid if I indicated to you that I would not like to take this opportunity inasmuch as I do have a plane to catch to New York to leave this meeting in the able hands and conduct—the balance of it—in the hands of Mr. Leeth, staff director.

However, there will be those who would suggest that was in some way attempting maybe to duck out on something of rather controversy. So I will ask that you bear with me.

I will ask the group headed by the Religious Coalition for Abortion Rights and listen to what you have to say, and also Civil Liberties Union, also the Capital Area and District of Columbia Abortion Rights panel, coalition, to come forth at this time.

I am going to take them out of turn because for me to do otherwise would be for me to suggest or it might be suggested that I deliberately ducked out on this hearing in regard to this rather controversial issue at times. I wouldn't want that to be said. Then we will come back to you. So I hope you will bear with me. We will come back to you.

Ms. Harris. Senator, thank you. We appreciate it. My name is Leslie Harris, I am executive director of National Capital American Civil Liberties Union, I am here representing the ACLU, 40 organizations who comprise the District of Columbia Abortion Rights Coalition.

Reverend Troutman. My name is Robert Troutman, I am minister of Riverside Baptist Church here in the District and I am representing the Religious Coalition for Abortion Rights.

Ms. Harris. Very briefly, if we could make our statement, I would appreciate it.

Since the enactment of the Hyde amendment in 1976, the ACLU has vigorously opposed funding restrictions that limit access of poor women to abortion. In our view, such restrictions are a cruel abandonment of the constitutional guarantees of equal protection, privacy, and religious freedom and represent an attempt to reshape public policy in order to undermine a woman's fundamental right to choose abortion. Moreover, we believe that these restrictions are particularly invidious because they impose a cruel and disproportionate burden on the poor.

And we submit for the most part Washington is a very poor city.

Last year Representative Dornan sponsored an amendment to the District of Columbia appropriations bill in the House that would have prohibited the use of both the Federal payment and the District's locally raised funds for medicaid abortions.

Although the House defeated that proposal and the Senate subcommittee subsequently removed all funding restrictions from the appropriations bill, there is reason to believe that a similar amendment will be introduced again this year.

In our view, any restriction that Congress may consider to restrict the District of Columbia's ability to fund medicaid abortions would not only abrogate the fundamental right of poor women to choose abortion, but would further generate a whole series of new policy problems that we believe could seriously undermine the principles of self-determination articulated by the Home Rule Act.

Neither the Court's decision in *McRae* nor the home rule charter would permit such a result.

It is evident both from the language of the Dornan amendment and from last year's floor debate on the District budget that some Members of Congress have construed the courts decisions in *McRae* and its companion case, *Williams* v. *Zbaraz*, to give Congress broad authority to limit local spending as well as Federal spending for abortions.

But there is nothing in these cases that may support such an interpretation. Rather, in these cases the U.S. Supreme Court ruled only on the constitutionality of the Hyde amendment and the statutory obligation of the States to finance medicaid abortions under title XIX of the Social Security Act.

Neither decision limited the right of the States to fund medically necessary medicaid abortions voluntarily or permitted Congress to abrogate that right. Indeed the Court explicitly states that: "A participating State is free, if it so chooses, to include in its medicaid plan those medically necessary abortions, for which Federal reimbursement is unavailable. We hold only that a State need not include such abortions in its medicaid plan."

This position echoes an earlier interpretation of title XIX made by the Court in *Beal* v. *Doe*, in which the Court said, "We make clear that the Federal statute leaves a State free to provide"—funds for nontherapeutic abortions—"if it so desires."

Clearly, if a State chooses to continue funding abortions, without Federal reimbursement, nothing in the medicaid statutes or the Supreme Court decisions prohibit that choice. Indeed, the Supreme Court explicitly sanctions voluntary financing.

Since the decisions in *McRae* and *Zbaraz*, some State legislatures have discontinued funding for abortions, although several challenges to these cutoffs have resulted in reinstatement of funds under State constitutional standards.

But other States including Maryland, Alaska, Colorado, Hawaii, Washington State, New York, North Carolina, Oregon, and Michigan and the District of Columbia have continued to fund abortions voluntarily out of State or local funds. Since the District of Columbia is recognized as a State within the meaning of the Medicaid Act, it stands in no different position with respect to medicaid funding than any State. And like many States, the District has decided to continue funding medicaid abortions with local revenues.

Plainly, Congress may not rely on the decisions in either *McRae* or *Zbaraz* to override that choice.

Nor in our view may Congress rely on its authority under the Home Rule Act to reach the same result. We submit that any funding restriction predicated on Congress' appropriations authority would violate at least the spirit, if not the letter of that law.

In 1973, persuaded that a lack of local control was unjust and unfair, Congress passed the District of Columbia Self-Government Act of 1973, known commonly as the Home Rule Act. Under home rule, the District residents elect their own Mayor and their own City Council, which has the power to legislate over "all rightful subjects of legislation within the District."

Apart from a desire to correct the political injustice of congressional control, a second pragmatic, but no less important, reason for home rule was to relieve Congress from the crippling legislative strain of governing both a city and the Nation. Indeed, one stated purpose of the legislation was to "relieve Congress of the burden of legislating upon essentially local District matters."

This goal of limited Federal involvement has worked remarkably well. For example, in one session prior to passage of the Home Rule Act, Congress enacted 19 laws affecting the District. After passage of the act, such enactments more than halved.

But while the District has made great strides toward self-government, proposals such as the medicaid abortion restriction fly in the face of that goal. Our government was founded on the premise of limited federalism and the Home Rule Act plainly reflects that notion.

The people of the District of Columbia, through their elected representatives, have chosen a particular local policy. To countermand this expression of local control would seriously jeopardize the District's right to self-government and the continued viability of home rule.

Just as the Hyde amendment substantively amended title XIX to remove a State's obligation to fund abortions, passage of this proposal would, we believe, substantially, amend the Home Rule Act.

According to the Home Rule Act, the District of Columbia Council has the power to legislate over "all rightful subjects of legislation within the District." Because one stated purpose of the act was to "grant to the inhabitants of the District of Columbia power of local self-government," it seems clear that "all rightful subjects" at least includes all "local" subjects and the regulation of the public health has traditionally been a matter of purely "local" concern.

In fact, the U. S. Supreme Court recognized and respected this tradition in *National League of Cities* v. *Usery*, when it noted that:

> Fire prevention, police protection, sanitation, public health, and parks and recreation are typical of those activities performed by State and local governments in discharging their dual functions of administering the public law and furnishing public services. Indeed, it is functions such as these which governments are created to provide, services such as these which the States have traditionally afforded their citizens.

Since the abortion issue is essentially a matter of local health and welfare, it is precisely the type of decision intended to be left to the District of Columbia Council under home rule. We are deeply concerned that passage of this legislation would effectively gut the broad legislative delegation over local matters set out in the act.

Any narrower delegation would encourage special interest groups, promoting a myriad of local policies, to bypass the District of Columbia Council and lobby directly before Congress. They would properly reason that, if Congress is willing to interfere with one local decision, it may be willing to interfere with others. The net outcome would be a return to prehome rule days with substantial congressional lobbying and congressional interference. The people of the District would again be disenfranchised and the gains of home rule would be lost.

Moreover, the simple inequity and injustice of placing this decision before representatives from across the United States is brought to light when one considers the outcry that would result if Congress ordered the States of Utah or Arizona, for example, to spend funds for abortions after its legislature had decided not to.

Indeed, the central purpose of the Hyde amendment was to keep the Federal Government from interfering with this purely local decision. The logic then, as it should be now, was to let the States decide whether they should or should not fund medicaid abortions. The District of Columbia is entitled to the same respect for its local decisions as are those States choosing to discontinue funding.

Finally we question the propriety of attaching a rider to the appropriations bill in order to effect a legislative result. In our view, appropriations bills should only address the appropriate level of funding for authorized programs. Legislating through restrictive riders inevitably results in unsound, ill-conceived public policy. Issues of substantive policy should be reserved for those committees with appropriate legislative jurisdiction.

As we noted above, the issue of whether or not the District of Columbia should provide abortions to its indigent citizens is plainly substantive in nature. Since it is the public policy of the District to fund such abortions, any contrary rider would work an affirmative change in existing law which would properly require review by the Subcommittee on the District of Columbia before enactment.

In conclusion, we once again wish to stress our general disapproval of efforts by Congress to limit public funding for abortions. The ACLU and the District of Columbia Abortion Rights Coalition continues to believe that any limitation on the public funding of medically necessary abortions is a cruel and dispassionate policy that endangers life and increases the risks of disability. But above and beyond these concerns, we oppose the imposition of restrictions of the District of Columbia which undermine the integrity and spirit of home rule.

Reverend TROUTMAN. The Religious Coalition for Abortion Rights is composed of 26 national Protestant, Jewish, Catholic, and other religious groups whose memberships total approximately 27 million. While the denominations and organizations which comprise RCAR differ on the circumstances under which abortion may be a morally acceptable response to a problem pregnancy, they all agree that this most personal decision must be left to individual women, based on religious beliefs and in accordance with sound medical practice.

The Coalition was formed in 1973 when 10 denominational groups joined together to protect the right of free exercise of conscience in relation to abortion, regardless of socioeconomic status. Their concerns were basically because they had counseling with the suffering, those broken, and they had come to the conclusion that in the midst of this problem the people needed to have someone to care for their life now, in the present moment.

In recent years, the Congress has restricted access to abortion for poor women nationwide through the yearly appropriations bills for the Department of Health and Human Services. This restriction, known as the Hyde amendment, has drastically reduced the number of abortions performed under the medicaid program from approximately 295,000 in fiscal year 1977—the last year before the Hyde restrictions—to just over 2,000 in fiscal year 1979—a reduction of 99 percent.

There is a new move on to take the freedom of choice by the individual.

I do not want to spend a lot of time on the home rule because I think that that is not the most important issue we are dealing with here today.

The most important thing I think is that this particular concept of restricting people and their freedom of choice on this matter is, we believe, a violation of the very guarantees of the first amendment of the Constitution of the United States.

We believe it is a religious right, the right of every woman to choose concerning her own pregnancy. There are several things that I would indicate that dictate this. One is that for the most part those of us who counsel with people who have problems find that there are few situations where they come to us with a clearcut decision of right and wrong. Most of them come without any decision, good or right, to be made. The decision is for the most part going to be made in a bad situation.

Abortion from my own viewpoint is not a good decision. However, abortion is perhaps sometimes the best of the alternatives. For often rape, incest, and where a woman's life is at stake, or numerous other situations where the quality of life for a living human being will be greatly altered or destroyed, certainly abortion in that case can be the lesser of the two decisions to be made.

I have strong theology against killing. It is an awesome thing to see someone's life taken. Yet I can envision for any of us in this room today situations where we would be faced with making a decision of life and death.

Perhaps to defend our Nation in time of war, to defend my family or my friends against terrorists or invaders into my home, or society itself sometimes will have to decide what to do with habitual criminals who have run out of control.

Is it any different for a woman who finds herself caught up in the impossible dilemma of a problem pregnancy? It is not an easy decision for her, but it ought to be her decision to struggle and come to grips with the ultimate best for her and her family. I do not want this session to depreciate into a for or against abortion. I think it is a higher calling than that. And I come to say it should be the central theme upon not whether one should, not whether abortion is right or wrong but whether one has the freedom of choice to make in their own life, with their own pregnancy.

I believe abortion situation that our Nation now faces has been made into a very critical one. It is far more important to tag on as a rider on the District of Columbia appropriations bill.

Rather it is one that Congress ought to face, perhaps and deal with as to whether they really have any business in this area. For some of us, it is a religious issue. It is one that we believe is guaranteed by the Constitution and the first amendment. I would encourage the committee to take up the larger issue or none at all for indeed, for those of us who come here today, representing the Religious Coalition of Abortion Rights, we think that rather than to talk about the appropriations bill, or the District of Columbia home rule bill, we believe that there is an infringement upon freedom, religious freedom attached to this kind of bill that you are considering.

Thank you very much.

Senator D'AMATO. Thank you for coming.

STATEMENT OF NELLIE J. GRAY, MARCH FOR LIFE

ACCOMPANIED BY TURNEY SCANLON, SECRETARY-TREASURER, DISTRICT OF COLUMBIA RIGHT TO LIFE

Senator D'AMATO. Mrs. Nellie Gray, March for Life.

Mrs. GRAY. Mr. Chairman, I am Nellie Gray, March for Life, and I am with Mr. Turney Scanlon, Secretary-Treasurer of the District of Columbia Right to Life. We do have a prepared statement for you. I would just summarize it.

The issue, of course, that we are concerned about is a mentality in the whole United States, not only in the District of Columbia, which is now really infringing upon the value and integrity of human life. It operates unfortunately under many banners, but I am very glad to hear in some of your remarks today that we can look for additional funding for some of the needs that we have in the District of Columbia.

The one thing that we have which we really need assistance I think from the whole United States for this Nation's Capital is the unfortunate situation that still there is funding of killing innocent preborn children in the District of Columbia. This obviously is not a local matter. Killing of new human beings is not a local matter. It is one for the whole United States. We now have a Congress policy not to fund abortions out of tax dollars anywhere in the United States.

We have a policy not to fund abortions in the District of Columbia with so-called separated Federal tax dollars, but we are faced still with the fact that Congress itself appropriates funds for the killing of the innocent children and according to the data which we have gotten just today, that represents almost $1 million in fiscal 1980, which is estimated to be between 5,000 and 6,000 children being killed with moneys appropriated by the District of Columbia, by the Congress for the District of Columbia.

The issue seems to have resolved itself down to whether or not this is a matter of home rule. And on page 2, continuing we have quite an explanation of our views on the home rule issue, that at no time can we say that any part of the fiscal matter is home rule, because if it were, of course, you and I would not be here today, that this whole fiscal matter would be taken care of somewhere else.

But the fiscal matter does rest with the Congress of the United States. It is also true I think to say that we can't separate some issues as home rule and some not when we find in the appropriation bill an act for the District of Columbia where Congress does a line item review and where we find it does make decisions on such things as taxicab meters, overtime payment for positions, travel and per diem, how many limousines the Mayor can have, these types of issues.

So it seems very unfortunate to interject the home rule issue in some areas but certainly not in others. What we are finding, of course, is that we have a very compelling question of whether or not the children shall live or die and——

Senator D'AMATO. Let me, at the risk of currying some displeasure of people who I share a common philosophy with, and have worked with, have campaigned with who vote, will tell you that I have great reservations on the basis of the interference in this area. I continue to be a proponent for human life and support of human life amendment. I have voted against the use of Federal dollars, taxpayer dollars for something which I consider to be immoral, but I think that there is a different question here. Although you and I may share a common ground in terms of the human life proposition that in terms of the ability for Congress to tell local municipalities what it should or shouldn't do, I think that that is a rather open question.

I am appalled by it personally. I vote against it at every opportunity. But I think even you can make the distinction between what we are talking about in terms of this committee and what the responsibilities are and the responsibilities of Congress and I will continue to be outspoken for the human life amendment. I think that is the political process. I don't believe that it is the process alone to a Federal funds, if—by the way, I don't think there is any stretch of imagination that Congress will pass this.

I think it will be a situation that will bring about and there would be no resolve of that question and I feel I have really fought that same fight with so many other people but I think again we are constrained to the law to move in this direction.

So I tell you that.

Mrs. GRAY. That, of course, is the burden of the testimony, Mr. Chairman, is the fact that, of course, the killing of children is not a local matter.

Senator D'AMATO. Let me suggest to you that again, I am not in favor of abortion.

Mrs. GRAY. I understand.

Senator D'AMATO. I was against the cutoff of funds and I support the human life amendment, but you can't put on the backs of those who don't take every opportunity to put riders on to constrain other people the onus of the responsibility to say that you are condoning killing, et cetera. You wouldn't really want to try to suggest that my public postures, my votes condone that.

I think that that is the kind of thing that goes beyond what is fair, reasonable, justifiable, and every human life has the right to sanctity and protection, both under the law, morally and spiritually. I feel that very deeply. That is one of the reasons I didn't duck out and I should have probably left before we got into this because I am going to be leaving in just a very few minutes.

But I wanted to give you the opportunity so that you would not think that I was intellectually dishonest, and I didn't know what the other group was going to say, the rather two incompatible viewpoints, two viewpoints that really share no compromise. It is not an issue of compromise. I have told my people, many people come in, see me, they throw you out because you are for the human life amendment.

Well, I can't help that. If that is the basis upon which people will vote me out of office. Why, so be it. But that is their sole criteria. I am not going to compromise that point of view which I have and which I feel am deeply committed to on the basis of whether a person is going to vote for or against me.

But again, there isn't the slightest chance that the Congress is going to enact or take an opportunity to restrict funding to the city because of a local perogative. If the city goes ahead, and I might abhor it. I am not for the use of tax dollars if that is their particular choice and right and something there is no stretch of the imagination that I believe really that we would be able to curtail it. There are those who will go the extra step, say that they think we do have that right.

I am just sharing with you. I will continue my position strongly for the position of protecting the rights of the unborn. That is where I come from. I am not going to really engage you in a back-and-forth colloquy on it. But I thought that I owed it to you to at least give you inasmuch as you have come in, taking your time, on something that you believe in, my full view on this matter, not maybe a full view, but my view in terms of how it relates to this committee.

Mrs. GRAY. May I just suggest, Mr. Chairman, that the information that I am trying to present goes exactly to the point of home rule. This could be applicable to abortions or anything else but the home rule charter vests the full fiscal power here in Congress. The way Congress has chosen now to exercise that full fiscal power is, indeed, to put riders on the District of Columbia bill for any number of things, including the District of Columbia may not use certain funds just to get taxicab meters.

We have various riders that are against the home rule charter and interest of us. I myself am a District of Columbia resident, Mr. Scanlon is, and we find on the District of Columbia appropriation bill riders which have really a very, very local character to them.

I think that the only one that you will find which distinguishes between Federal funds and local funds is the abortion rider.

Senator D'AMATO. I am opposed to the use of Federal funds for abortions. I will vote that way, I will continue to vote that way and I will not attempt to say what State or local government can do with its own funds.

Mrs. GRAY. What about enforcing such things as limousines for the Mayor and whether or not we have taxi meters? The Congress is telling us how those issues——

Senator D'AMATO. We agree. I don't know what my predecessors have done. Many times I sponsored legislation yesterday, I lost 63 to 34. It is a difference of opinion. I wanted to share this thinking with you. I will be delighted to meet with you in the future. It is the kind of thing that we are not going to resolve here and now. I have given you my inclination in terms of this. I am going to have to leave. However, my staff will conduct the balance of taking the testimony. It is not necessary for us to have additional in the way of hearings. There are several other groups who have yet to be heard from.

I thank you for coming in.

[The statement follows:]

Statement of Nellie J. Gray

I am Nellie J. Gray, President, *MARCH FOR LIFE, Inc.*, and also President, *D. C. RIGHT TO LIFE COMMITTEE*, both of Washington, D. C. Each of these corporations is a non-profit, non-partisan, and non-sectarian organization with the purpose of assuring that the value and dignity of each human being, born and preborn from the moment of fertilization, shall be protected by the laws of our land. I am a full-time volunteer in the prolife movement, working from my home, with a staff of volunteers.

I come before this Subcommittee again because of our long-standing and deep concern that there is a depreciation of the inherent value and dignity of human beings, even supported by the action of our government through the Executive and Legislative Branches. Yet, both of these Branches of our government have the power and authority to reaffirm the inalienable right to life of each human being and then to act to assure that this right is protected.

The most prominent visible sign of callous disregard for the right to life in our land today is through abortion -- the homicide of one born human being killing a preborn human being. Thus, this testimony is directed to that issue, which is but the bloody tip of the mentality to reduce human beings to materialistic raw material.

Today, I address the issue of abortion in the District of Columbia and the role that this Subcommittee can play in removing the abomination from its incredible dominance in the Nation's Capital.

Mr. Chairman, I would like to refer to my testimony before this Subcommittee last year on May 29, 1980, in which I provided details which are still relevant. However, rather than restating that information, I will merely refer to it, and center this testimony on the issue of "Home Rule," which now places the Congress in an anomalous and untenable position.

The "HOME RULE" Red Herring

It has been pitiful to hear Members of Congress argue in Conference and on the floor that the amount of public moneys spent for killing preborn babies in the District of Columbia was a matter of "Home Rule." If that were true, Mr. Chairman and members of this Subcommittee, you would not be here deliberating on the D. C. Appropriations.

The D. C. residents do not have "Home Rule" on any fiscal matters, because such matters were specifically reserved to the Congress by Sec. 603 of P.L. 93-198. By this Act, D. C. was given the most limited form of self-government, with Sec. 601 assuring that "the Congress of the United States reserves the right, at any time, to exercise its constitutional authority as legislature for the District, by enacting legislation for the District on any subject, whether within or without the scope of legislative power granted to the Council . . ."

The Congress is charged with the responsibility of appropriating funds for the full operations of the District of Columbia government, which includes all of the "local" issues. The Congress exercises this authority and responsibility by actually providing line item review and markup on all expenditures.

The Anomalous and Untenable Position of the Congress

With respect to the fiscal matters of the District of Columbia, the Congress has, in the past, been acting in a highly contradictory and arbitrary manner. The Legislative and Executive Branches assume the role of the Federal protector for the Nation's Capital with minute detail over expenditures. Yet, "Home Rule" is inserted into the Congressional debate on D. C. appropriations when it suits the whim of the members -- obviously, "home rule" is ignored when it is not suitable to members of Congress.

For example, when Congress wants to impose fiscal restrictions on the District of Columbia it does so, without regard to whether the funds are from Federal or local tax revenues. Specifically, Congress proscribes the use of any funds for changing from taxi zones to taxicab meters (Sec. 106). Congress specifically limits the use of any funds for automobiles used by the Mayor and City Council, costs of overtime or temporary positions (Sec. 110), costs of authorized travel and per diem (Sec. 111), and for employment of full-time personnel in permanent positions (Sec. 112).

In addition, the Congress and President exercises the role of oversight on how any funds shall be used for consulting services (Sec. 101), automobile and motorcycle allowances (Sec. 104), through use of vouchers (Sec. 102), and public inspection of employment records (Sec. 116).

However, when it comes to killing innocent preborn children, the Congress invokes the "Home Rule" sham, and enacts an appropriations bill which says that Congress does not want *FEDERAL dollars* used to kill babies in the Nation's Capital, but Congress provides *local dollars, without restriction,* to be used to kill innocent preborn children in hospitals, clinics, offices, with abandon.

This is the same Congress which is worried about acts of violence and terrorism in foreign countries, which is willing to cut off aid to a country which does not meet unspecified criteria of *Human Rights* and acts of violence and internal conflict, and which is willing to entertain the continuation of appropriating public moneys for the grossest act of violence -- killing innocent preborn children -- within the Nation's Capital. These acts of violence are not imaginary or conjectural -- they are real and documented, openly and notoriously, by the Department of Human Services of the government of the District of Columbia. These acts of violence are paid for with public moneys appropriated by the United States Congress and signed into law by the President of the United States.

Telling a State or Locality What to Do

Members of Congress have stated that they would not think of telling a state or locality how to use its own taxes with respect to abortion. Of course not! Congress has no such power! But, those same members of Congress would not think of telling a Governor or Mayor how many cars he may use at public expense, even on an advisory opinion, much less as a specific dollar amount enacted by Congress. The Congress does, however, tell the Mayor of Washington, D. C. how many cars, employees, etc., he may have, and even restricts the Federal and local dollars available to carry out the Congressional mandate. But, Congress has chosen to hide behind "home rule" and not assume its responsibility to tell the Mayor that he may not use one penny of any public moneys to kill innocent preborn children.

Congress Cannot Compromise the Life of a Preborn Human Being

The grotesqueness of abortion in the District of Columbia is heightened by the fact that it is preventable by act of Congress, and without that act of Congress the holocaust of tiny human beings is of a magnitude which is staggering.

There is an oft-repeated saying on Capitol Hill that legislation is arrived at through the art of "compromise." Compromise, by definition, means that each side gives up something in order to arrive at a settlement. But, when the subject is the life of an innocent preborn human being, Congress cannot give up something without giving up life -- an that human being's life does not belong to Congress to give up.

Nevertheless, Congress has been compromising away the lives of preborn children in the District of Columbia. The figures total up to an unparallelled holocaust:

Statistics on Deaths by Abortion in D. C. -- The Nation's Capital

Any American should agonize over one preborn child's life lost to the abortionists -- and prolifers do just that. But, the rate of abortions in our Nation's Capital is inhumane to the point of outstripping the grossest crimes against humanity.

Reports released to us today by the D. C. Department of Human Services show abortions at 145% of live births for D. C. residents. For every 100 preborn children who are permitted to be born alive, 145 innocent preborn children are killed.

Further, for FY 1980, the D. C. Department of Human Services reports that $933,053.29 tax dollars appropriated by the Congress were used to kill innocent preborn children through abortions. Individual hospitals and abortitoriums received in the hundreds of thousands of dollars and individual abortionists in the tens of thousands of dollars. For these data, please see the attached letter to Mr. Terrence M. Scanlon from Mr. Peter B. Coppola.

HUMANITY OF THE INNOCENT PREBORN CHILD, THE FAMILY, and SOCIETY

As I have reported to you before, abortion is a hot issue because it involves the lives of human beings -- the humanity of the innocent preborn human being as one victim for death and the humanity of that preborn human being -- the child's mother, father, grantparents, and society as a whole.

Abortionists and those skirting the issue of abortion want to erase the humanity of the preborn child. But, it cannot be done. A Senate Judiciary Subcommittee is taking testimony on this very subject now, and it is clear that when the human father's sperm fertilizes the human mother's ovum and unique human being comes into existence. Further, I have submitted additional testimony on this subject in my previous testimony last year.

It is the attack on innocent human beings -- both mother and child -- through abortion which causes the prolife movement to work for laws to protect both mother and child and father and grandparents and our whole society.

Just as other societies and eras could not withstand the attack on innocent blacks and Jews, so our society cannot withstand the current attack from within our own country on human beings through abortion.

WHAT CONGRESS CAN DO NOW

Because it is the responsibility of Government, exercised through its elected and appointed representatives, to protect innocent human beings rather than even permit, much less participate in, their destruction, Congress can exercise its privilege, responsibility, and duty to protect innocent preborn human beings.

Through the appropriations bills passed by the Congress, including the continuing resolution recently passed by this 97th Congress, the policy is well established that the government shall not use public moneys to fund the killing of innocent preborn children. The Supreme Court has found that it is constitutional for Congress to exercise its decision-making power consistent with this policy of not funding abortions.

Abortionists have used the diversionary issue of "HOME RULE" to have the Congress enact a provision in the District of Columbia Appropriations Act -- P.L. 96-530, Sec. 118 -- to assure that some public moneys appropriated by the Congress will still be used to kill innocent preborn children in the Nation's Capital. Abortion has always been wrong and will continue to be wrong. Paying for any abortion is wrong, and the wrongness is merely multiplied infinitely when such killings are paid for with public moneys openly and notoriously. The Congress can now correct its untenable, anomalous, and arbitrary position by enacting the current D. C. appropriations bill with a provision to stop all public funding of abortions in the Nation's Capital.

RECOMMENDATIONS FOR PROVISIONS OF APPROPRIATIONS BILLS PASSED BY CONGRESS

TO ASSURE THAT NO PUBLIC FUNDS SHALL BE USED FOR ABORTIONS

Begin with the firm attitude that *no* tax dollars shall be used for abortion, and clearly say so in the legislation. When getting to the "hard" issue of the "life of the mother exception," be sure that the premise for dealing with this issue is that *both* the mother and her preborn child shall be saved, and neither one is to be killed to save the other. The following positive approach is proposed, which is based on the premise that tax dollars shall be used to truly "save" lives, even if, unfortunately, some lives cannot, with current medical science, be saved. The proposed text is:

> *Sec. _____. None of the funds appropriated under this Act shall be used to pay for abortions performed by any means during the prenatal period beginning when the sperm fertilizes the ovum; nor shall funds be used to promote or encourage abortions. When a true medical emergency exists with the physical conditions of a pregnancy and reasonable efforts and ordinary means are used in accordance with good medical practice to try to save the lives of the mother and her preborn child or children, funds appropriated hereunder may be used to reimburse for these necessary medical services, even though a life or lives cannot be saved.*

In order to clarify the intent of this section, it is recommended that the following language be included in the Committee's Report:

The purpose of Sec._____ is clearly that no reimbusement for abortions shall be allowed, and no funds shall be spent for abortions in any manner or means. This includes payment for drugs and devices which are abortifacients and payments for the services of anyone who prescribes such drugs and devices. Such payments cannot be made directly or indirectly.

This Committee recognizes that at this stage of medical science there may be rare instances when the lives of both the Mother and her preborn child or children may be physically endangered by the circumstances of a pregnancy. When a true medical emergency exists with the physical conditions of a pregnancy, this Committee expects that reasonable efforts and ordinary means, in accordance with good medical practice, shall be used to try to save the lives of all patients—the Mother and her preborn child or children. Federal funds appropriated hereunder may be used to reimburse for these medical services undertaken to save the lives of these patients, even though the life or lives of one or more of the patients may not be able to be saved.

Payments cannot be made directly or indirectly to treat mental, emotional, pre-existing physical conditions, or physical conditions not associated with the pregnancy by performing or prescribing abortion.

The Committee expects that under these and similar conditions, the lives of all patients will be saved and that funds shall be available for this life-saving treatment.

STATEMENT OF BERTHA ATKIN, FRIENDS OF FOREST HAVEN

Mrs. ATKIN. I am sorry that Senator D'Amato had to leave. I would like to introduce my husband, Mr. Morris Atkin, who came here with me today.

My name is Bertha Atkin, and I am president of Friends of Forest Haven.

Another year has passed. In the International Year of the Handicapped it seems that we are standing still in suspended animation.

There are still many problems that must be resolved at Forest Haven. Buildings and streets are hazardous and are in need of repair.

We are still under court order to deinstitutionalize. In 11 months, only three residents have been out-placed into foster homes since February 1980. Will there be enough funds for residents being placed in the community and for staff, programs, and habilitation in the budget of the Bureau of Community Services which will then be responsible for their welfare?

In order to have optimum coverage and programs for the population at Forest Haven we need at least a complement of 1,200 staff on three shifts in order to avoid such happenings going on at present at Curley West II and other cottages where residents assault each other for lack of supervision and programs.

Four residents have been hurt there. The lack of staff is very noticeable when parents come out to visit their loved ones. We are not satisfied with staff detailed to Forest Haven from Glendale Hospital. These people do not have the expertise needed to handle residents with mental disability.

Our children are entitled to their own permanent, experienced, dedicated staff.

We were told that Forest Haven is exempt from staff cuts, but we understand that positions at Forest Haven were cut just the same.

The new therapy building at Forest Haven stands idle; what a waste of money. There are no staff to provide services to the residents who are in dire need of therapy activities and programs. In order to fill this void the following staff is vitally needed: Nurses, direct care staff, and, of course, professional personnel.

In short, the situation at Forest Haven is slipping downhill fast, to put it mildly; because allocated funds are diverted elsewhere.

Now President Reagan wants to cut all vital services for the mentally retarded residents at Forest Haven and the United States who are so desperate in need of such items as medication, transportation, and all social service programs including the so-called block grants.

Will you stand idly by and cry at their graves? Or will you take the bull by the horns and see to it that our retarded citizens in the United States are getting their fair share of human treatment and human rights, before you spend billions of our hard-earned dollars on less important projects elsewhere. Remember, the mentally retarded citizens of whom many are wage-earners are humans, too, just like you and I.

Mr. LEETH. Thank you, Mrs. Atkin. I appreciate this. I will see that the chairman and the other members of the subcommittee are fully aware of your testimony and your views.

Thank you.

STATEMENT OF GABE SUCHER, AMERICANS FOR DEMOCRATIC ACTION

Mr. LEETH. The next witness is Mr. Gabe Sucher, Americans for Democratic Action.

Mr. SUCHER. Thank you, Mr. Leeth.

My name is Gabe Sucher, executive director of the Greater Washington Chapter of Americans for Democratic Action, a progressive organization with over 1,100 members in the Washington metropolitan area.

I am here to speak on this District of Columbia's budget.

As you are no doubt aware, we in Washington are subject to severe pressure resulting from insufficient revenues to cover needed services such as police and fire protection, education, including libraries, sanitation, and recreation.

Part of our city's problem is common to the difficulties faced by urban areas nationwide. Specifically, the historical movement of middle and upper classes from the cities to the suburbs has resulted in a situation where taxable revenue is concentrated beyond city limits, while the welfare load and other demands for government services are concentrated in the cities.

Part of Washington's problem, however, is due to its unique status as the Nation's Capital. Inparticular, much potential revenue is lost to our city because of the fact that Federal buildings and land aren't taxable. We are also suffering from a double-edged sword as a result of the Reagan budget cuts—not only will our people be losing government services, such as food stamps and school lunches, but since we are a government town, the problem is compounded by the fact that the providers of these services are being thrown out of work. Already our unemployment rate has risen to 8.5 percent.

This introduces my first point—the need for a generous fixed-formula payment by the Federal Government to the city. The use of a fixed formula is desirable because it will help the District in planning its budget. At the same time, the formula must be sufficiently generous to keep the social fabric in reasonable shape here in the Nation's Capital. There is also a moral obligation for this payment to be generous in light of the continued injustice of District of Columbia residents being denied congressional voting representation.

Until such time as this inequity is ended, either by ratifying the District of Columbia voting rights amendment or granting statehood to the District, the Federal obligation to the District will weigh much more heavily than would otherwise be the case. Morality aside, the President and Members of Congress have a strong interest in assuring the provision of all local government services in Washington, since this is the place where you work.

The second point I want to make concerns Washington's right to self-determination in deciding how to spend its own locally collected tax revenues. In particular, we strongly object to any riders on the District's budget bill that would prevent funding for abortions by indigent women.

Even Senators philosophically opposed to abortion should reject any move to involve the Congress in a local decision on abortion funding by a single jurisdiction. That is an issue which must be resolved by each jurisdiction itself.

In the long run, the disequilibrium of revenues and expenditures between cities and suburbs throughout our country points to the need for a major Federal role in assuring that adequate services are provided where the need is greatest—in low-income urban and rural areas. Unfortunately, the Reagan budget cuts approved by Congress run in precisely the opposite direction.

In conclusion, I would simply stress, one, the need for a generous fixed-Federal payment to the District and, two, the unacceptability of any motion restricting abortion funding.

Thank you.

Mr. LEETH. Thank you, Mr. Sucher.

STATEMENT OF FATHER SEAN O'MALLEY, INTERFAITH CONFERENCE

Mr. LEETH. Our next witness is Father Sean O'Malley, the Interfaith Conference.

Father O'MALLEY. Thank you. My name is Father Sean O'Malley, member of the Interfaith Conference of Metropolitan Washington, and executive director of the Office of Social Development of the Archdiocese of Washington.

The Interfaith Conference is the organization that brings together the Roman Catholic, Protestant, Jewish, and Muslim faith communities and their top leaders for interfaith dialog and for united work on critical issues to improve the quality of life in our metropolitan community.

At this point I would like also to present Elaine Tiller who has been very active in working on our Coalition for the Homeless. She is with me in case you have any more specific questions on our testimony.

We want to thank you for this opportunity to testify today on the fiscal 1982 budget for the District of Columbia's Department of Human Services. My main purpose is to urge you to maintain and include financial support for night shelters, in order that the city might continue to fulfill its responsibility to the growing population of homeless men and women. This is critical if the city is going to meet its fundamental responsibility to see that essential services are provided for all its residents.

The city of Washington, D.C. is in a most difficult financial situation. The Interfaith Conference is certainly aware of this and has sought to be supportive of the City Council and administration as they try to justly establish public spending priorities of scarce public revenues.

You may remember that it was the area's religious leaders through the Interfaith Conference who called for a weekend of prayer for the Nation's Capital, its leaders and its people last June to help build stronger cooperation among all those involved in and affected by the budget critics. We also called for the reconvening of the White House Task Force on the District of Columbia to facilitate the work of the key leaders in the city, the Congress, and the White House in addressing the city's financial situation.

We are still closely pursuing this. Through the WIC Coalition, IFC staff worked closely with the Department of Human Services to assist it in obtaining a $1,900,000 grant to establish the woman, infant, and children program in our city for this fiscal year.

We also initiated the Capital Area Community Food Bank which last month provided more than 73,000 pounds of food for 104 agencies in the Washington area. In the area of the homeless, it was the Interfaith Conference which held a major planning conference on the homeless last June with substantive city participation.

Our research in preparation for this is found in appendix B. This planning conference led to the establishment of the Homeless Coalition on whose behalf I am speaking today. The IFC is providing initial staffing for the Coalition which is composed of government, private, and religious communities committed to seeing that the survival and rehabilitative needs of homeless men and women are met.

Concrete plans have been made. The type of work begun is reflected in its task forces: basic services, volunteers, information, education and advocacy; resources; employment; health; and research.

The long-term goal of the Coalition is to see that the root causes of homelessness are better understood and that the cycle of homelessness is broken wherever possible through comprehensive rehabilitative programs. The prerequisite, however, for this long-range rehabilitative process must be the provision of the most basic services—shelter, food, and clothing.

It is in the context of this kind of supportive work in the city during the past year and especially our work on homelessness that we way to the Senate Subcommittee on the District of Columbia appropriations today that the District's financial predicament cannot be used as an excuse to avoid basic city responsibilities to its residents, including the homeless.

The city's expenditures in its work with the homeless are not a separate line item in the District's proposed budget. Our comments are therefore based in part on figures helpfully shared with the Homeless Coalition by Mr. Bruce Glover, a knowledgeable staff member of the Department of Human Services who has a direct administrative responsibility for this work.

Mr. Glover indicates that some $980,000 will be spent in fiscal year 1981 on shelters for women and families and an additional $350,000 will be spent to provide maintenance, security, and prepared food for the men's shelters at Blair and Pierce Schools.

Mr. Glover did not provide specific figures for next year's budget which is under consideration today, but he did tell us that services for homeless women and homeless families would be continued while the budgetary support to provide the essential services of maintenance, security, and prepared food for the men's shelters at Blair and Pierce is still uncertain.

After our testimony before the House Subcommittee on District of Columbia appropriations it was very encouraging to find that the Department of Human Services is trying to include this funding for food, maintenance and guards in the fiscal year 1982 budget. To date this has not been finalized, however. We know of no request for permanent staff for Blair or Pierce School.

Therefore, we call upon this subcomnittee in its careful review of the fiscal year 1982 budget to insure that support of the programs at Blair and Pierce Schools is not eliminated. We do so for several reasons.

First, the city government has an important and fundamental responsibility to insure its citizens essential human services. I am hard pressed to think of any needs more basic to life than shelter and at least one meal a day. Can you? Thus, we firmly believe that the city has a responsibility to see that these most basic needs of its citizens are met, including homeless persons who are chronically without shelter of their own. Elimination of the limited funds for Blair and Pierce men's shelters in fiscal year 1982 would be an abdication of the city's responsibility to its citizens.

Second, the city has acknowledged this responsibility through the important services that it has provided directly to homeless men and women in the last 2 to 3 years. It has certainly provided such services for destitute families for much longer.

But the information provided by DHS staff to the Interfaith Conference's Homeless Coalition indicates that the city accepts responsibility in fiscal year 1982 only for shelters for single women and for mothers with children and does not accept it for the 200 to 300 men who are now utilizing Pierce and Blair School every night.

On what basis can the city justify providing services to single women without shelter of their own, and deny it to men? It is already spending much more for women in shelters than for men, even though there are more men who are homeless. To end the limited, but critically important support which the city is providing for the operation of Blair and Pierce men's shelters, would be unjust.

Third, the city in the winter of 1980 already curtailed its budget expenses for the homeless. We believe that further cuts in this category are not justified. The city estimates that in fiscal year 1980 it spent $3 million in its work on the homeless. The attached budget figures for fiscal year 1981 show an expected expenditure of less than $1,350,000.

The city has ended its contract for 75 beds with the Gospel Mission. The city found some important, cost-effective means of reducing its expenditures. For example, it has a significant agreement with the Council of Churches of Greater Washington for the provision of direct services at Blair School. CETA were being used to staff and operate this shelter. A similar arrangement was being sought at Pierce School.

Because of the cooperation between the religious community and the city, there were approximately the same number of beds this winter as in the winter of 1979 for homeless men. The religious community's work has increased the number of beds for single women. However, with an increase in the number of homeless persons due to deinstitutionalization, displacement, and the economy, the bed space may well not be adequate for this coming winter for either men or women.

Thus, we believe that the further cuts of $350,000 proposed in the fiscal year 1982 budget are not justified since the city has already cut its expenditures in this area so greatly.

Fourth, a commitment in this fiscal year from the Department of Human Services to provide maintenance, security guards, and prepared food at Blair and Pierce Schools is critically important to the provision of direct services and staffing by private or religious organizations.

We do not know how these shelters for 300 men a night can be kept open by such organizations without partial budgetary support by the city. If these shelters were to close because of the elimination of city funding for them in fiscal year 1982, it would create a severe crisis in the provision of services for these persons.

Fifth, with the major cutbacks in CETA, the city faces additional expenditures for its program at Blair. The Blair shelter is run by the Council of Churches under DHS contract. Its operation relied in part on CETA positions. Fortunately, until September 30, 1981, temporary positions have been made available to continue the staffing under this contract.

Considerable savings were accrued by the city through this cooperative program with the Council of Churches. However, with the termination of these CETA positions, it is clear that the city will need to incur additional expenses to maintain this shelter and will in fact need to increase funds for fiscal year 1982 from its 1981 allocation.

Unless the city can find viable alternate means of staffing and operating the shelters, not only will it become necessary for the city to maintain its prior budgeted amount for food, security guards, and maintenance at Pierce and Blair but the city must also see to the continued operation of these two shelters by including funds for staffing and operational expenses. The city must assume primarily responsibility to see to the ongoing operation of these important services.

Sixth, the city, through staff of the Department of Human Services, is an active part now of the Homeless Coalition. In that Coalition all sectors are working together and providing the resources that each can to see that sufficient services are provided. The cooperation of the public and private sectors has been essential to the city's reduction in its budget expenditures to the homeless. Further cuts could imperil that cooperation if they place an impossible burden on the private and religious community.

Therefore, we ask the members of this subcommittee in their careful review of the Department of Human Services' 1982 budget, one, to include funds at least at fiscal year 1981 levels for food, security guards and maintenance at Pierce and Blair Schools, and, two, to include additional funds as necessary which the city will need to provide staffing and operational expenses for the homeless men's shelters at Blair and Pierce Schools.

The religious and private sectors have provided for many years survival and rehabilitative services for many of these persons. The religious and private sectors have dramatically increased the services they have been rendering in the past year in response to the growing needs of these persons and the city's financial crisis.

The city must maintain its responsibility through these budgetary expenditures. For homeless men, women, and children are, in the eyes of most us, simply the "least of these" in our society. But in the eyes of God, they are the "least of these, our brothers and sisters."

Thank you very much.

Ms. TILLER. May I add something? In the study that the Interfaith Conference did approximately a year ago, there are around 2,000 homeless men in the District of Columbia. At the present time, there are approximately 500 beds for shelter for this number. If these two shelters are not able to function in fiscal year 1982, it cuts those beds by 300. There will be lot more men in the streets.

So we urge that you will put in the language report that $350,000 be earmarked in some way in the Department of Social Services budget for Blair and Pierce Schools; that some way the permanent staff be provided for Blair and Pierce School. Thank you.

Mr. LEETH. Thank you very much. The subcommittee will take that under consideration.

STATEMENT OF MRS. LYNN, FIFTH DISTRICT ADVISORY COUNCIL

Mr. LEETH. The next witness is Mr. Walter Pinckney. Is Mr. Pinckney here?

Mr. Chris Binder?

What about Mr. Garth Beaver? Mrs. Lynn, I see you are here. Why don't you come up?

Mrs. LYNN. I think this lady is only a group of four.

Mr. LEETH. Could you identify yourself for the reporter and you may proceed.

Ms. MCCAREN. I am here in support of the statement of Mrs. Lynn and my name is Katherine McCaren and I am past president of Dupont Circle Citizens Association, and a Washingtonian of five generations.

Mrs. LYNN. Good afternoon, Chairman D'Amato. We are missing you.

The first part of my life up until I went to college was spent in the hotel field. Therefore I am very cognizant of good health practices, safety and security in hotels, restaurants, public areas, and naturally it spills over into homes.

About 5 or 6 years ago Representative Nelson conducted, he had a commission and he conducted a Nelson commission workshop down at the District Building on a Saturday. The keynote address was, of course, given by him. He left an indelible impression on my mind that this is a Federal city. This is a Federal city. It is our Federal city. It is your Federal city. There is no way we can get away from that. It doesn't look as if we ever will. So the Founding Fathers seem to know what they were doing to depoliticize the seat of the government of the States, that it should not be a State, that it should be an entity unto itself.

Fire safety and policy security are No. 1, should be No. 1 priorities; education next as priorities for budgets; for police security they should be given top-quality tools with which to work, tools which will help to keep them alive so they will be alive to protect us. And the No. 1 quality for them is a bulletproof vest. We hope some day that Congress will, both the Senate and the House, will demand and earmark bulletproof vests. In several jurisdictions within the metropolitan area, Arlington and Prince Georges County, with a purchase order, was able to get at least a little more reasonable, but let the police officer decide if he wants to wear it or not, but don't let him say—we have lost an officer, several of them, in fact one 3 months ago was saved because he had a vest on.

We are asking that the Senate take a grandfather attitude to concern and interest in the firefighting division or firefighting department of the District of Columbia. Firefighters are our lifeline. Firefighters life is 10-plus years shorter than any other occupation.

May I interrupt here and please ask you how long will this record be open?

Mr. LEETH. We will keep the record open for another week to 10 days if you would like to submit additional information.

Mrs. LYNN. Thank you. I would also like to add that Mr. Garth Beaver was a public relations agent from Friendship Citizens Association, Inc., which is 52 years old. We have members of both the federations here in Washington and had he been here, would have spoken in support of bulletproof vests. They discussed it with the union this week.

I would like to show you the roster of the District of Columbia Fire Department and due to the essence of time it is impossible to go into the nitty-gritty, but overall there is an administrative division which has approximately 50 people in it. There is a communication—my figures will be one-half of 1 percent of within one-half of 1 percent accurate.

Thank you. Communication is authorized and funded 24. However, they need 36. They operate round the clock, three 8-hour shifts, and they are so short of personnel because they have not been up-numbered since their new equipment has gone in, that then every single day they start out with one man short on this shift. They scrounge around. I spent 2 hours there several weeks ago and they scrounged around trying to find who is going to come in and fill for a man who called and said he couldn't make it, someone is on leave, someone is sick.

So they need 36, whereas they don't even have authorized funding for a relief. They have to eat at their desks. Eating and drinking at communication consoles of any nature is taboo in the communication business. Not only that, constantly having to use your voice defeats your—it is stressful because constantly using your voice you are using your oxygen.

It just is something that needs to be very much looked into, the communication division. Then you have your apparatus. The apparatus is the big building where all of your equipment, fire trucks and your wagons and all of the machinery, or the apparatus is correct, is maintained and where it is repaired. They are authorized 35. They need 40. You have training which is authorized nine. They have seven. So they are two down. But they have not had a safety captain for 1 year.

A few times they have detailed someone over to the safety position. The desk is there. The supplies are there. The room is there. But we had no safety officer in training for a year. He has, the safety officer, the captain has been on sick leave for a year.

This disturbs me because our other people who are capable and they should rotate in detailing people to that position. It is the most important subject in firefighting, is safety.

Then prevention, fire prevention. They are authorized 45, and they are 5 short. They have five vacancies and they are cut five last year by the budget. According to a 1979 study on fire prevention, they should have eight more. So they are really down 18. They only actually have 40 onboard.

Then we have the firefighting division, per se. The trucks and the firefighters are really the most visible part of a fire department. People don't have any conception of what goes behind the scenes. It is just like a metropolitan opera. You see two people on the stage, and the props.

But there is 10 times the amount of money and hours and labor to prepare for those few minutes or a couple of hours that the principals are on.

The firefighters, we have 1,188, supposed to have 1,188. We are short around 90 firefighters. And we are down 140. The difference between short and down, short is we actually don't have the bodies on the force; on the firefighting force.

Being down means that the companies, each day are not only short the vacancies which are vacancies, but then they also do not have those who are on sick leave or on vacation or emergency leave or just their normal leave time, that they wish to take.

So we are really running overtime, bringing in firefighters on there. They work 3 mornings, 3 nights, and 3 days off. That is their schedule.

Many of them cone back for 2 of the 3 days off, which a few, I would say only 10 percent, if 10 percent, really enjoy working overtime and really want it.

They would rather be with their families. Some of them moonlight. But that is all right if they work on something else, because that is not as stressful and not as demanding of their body as firefighting per se, if they get into a fire.

You know, one reason that firefighters' life is 10 years shorter is that the adrenalin a firefighter can use up his adrenalin in 15 or 20 minutes. This is something that people just don't realize. It takes many hours to build back that adrenalin. When he has to go back into a second fire within one shift, that is a heavy, heavy fire, there is no adrenalin there. Therefore, that is what helps to tax the body and the heart and shorten the firefighter's life.

The anbulance is another division. They are authorized 157. And they have 17. I could go into detail in each one of these categories that I have mentioned because I have notes on each page about them. The firefighters are going to be very sorry that I didn't get to.

Mr. LEETH. If you would like to place that in the record, we would be happy to have that information.

Mrs. LYNN. I will photostat it and let you see it.

Mr. LEETH. Thank you.

Mrs. LYNN. Thank you.

The ambulances, we understand they have been funded for three more ambulances to be added according to the paper and according to the budget office. But of course people don't believe things until they get it. That will mean more personnel needed. That is going to be very taxing on communications because communications has not only seven channels that they have to keep going, but the actual dialog between the—they run from 300—I don't know exactly how many, but it is around 500 calls a day now coming and going.

Property maintenance and repairs opens up a can of worms. And you will be hearing more about that later, I am sure. There was funding, 1,000—excuse me. There was funded $1,000,090 last year, this current fiscal year 1981 for property which is repairing our buildings and engine company buildings and stations. But we opened with $1 million, we had to give up $62,000 immediately to pay off the debt that we had left over to General Services.

We started with General Services with the opening of a $60,000, they added $16,500 in the middle of the year, and then we closed with $62,000 debt. So therefore property opened with $1,028,000. Do you know that in 6 months it only has $100,000 left to go the rest of the year?

And for the 1982 budget that we are talking about now, the District of Columbia, Gladys Mack's office, has reduced it to $1,010,000. So we are getting $80,000 less this coming year than we have had this year.

You could experience what I have in the last few weeks, I am preparing a very in-depth inventory of the stations and their problems, fiscal problems. They just had inspections a couple of weeks ago. And the inspections mean that each company prepares one sheet, listing all of his fiscal problems in the station.

I have taken all of those, and I am recapping them, on recap sheets by subject matter, air-conditioning, locks, drains and so forth.

Then I will recap those subject matters all on one sheet or two and tell how many the total number of air-conditioning problems, and so forth. You may have seen Channel 9 last night at 6 o'clock telling about District 2 Police Headquarters with their air-conditioning problem.

That is a drop in the bucket.

I will have to wind this up rather quickly, more quickly than I would like to, but how would you like to go by an engine company and find out that up on the second floor where the bunk room is there is officers' quarters, they have their private room, that the firefighters have brought in a couple of air-conditioners, put them in the windows, and pulled their mattress from the single springs that they have, they don't have nice beds like we have at home, they have just a single spring with a cotton mattress and of course they dip, because these men are heavy fellows.

They bring their mattress in, put five and six of them every night that they are on duty, sleep on the floor in that room, all last summer this happened at a number of our fire stations because the air-conditioning wasn't working.

The bunk room upstairs is unbearable.

Then we have firefighters, many of them, hundreds of them, who have had to buy their own electric blankets because there is no heat up on the second floor.

There are stations where they have drains that have been stopped up for over a year. They don't have any hand towels; nor bath towels.

When they take a shower, they dry with a sheet. That is hard on the sheet.

Some have showers, the water just globs down like this, instead of spraying out with force. In some instances it takes 10 minutes to get the water up, warm water up to second floor where the shower rooms are and we have an inspector out at two stations recently and they put the thermometer, and in 10 minutes the men didn't have really hot water. These men come in from fighting a fire, in this kind of hot weather, that we are coming into, they can't wait 10 minutes for hot water because they may have to go back to another fire, especially enginer 25. Engines 25 and 15 are two of the busiest in the city.

So we have serious maintenance. It is being, I am very happy to say that this report has never been, never in the history of the Fire Department, have they ever had anything like this done for them. Both General Services, No. 2, the deputy and the fire chief and the assistant chiefs as well as a few others are very anxiously awaiting the finishing of this.

Also, there is the questions of masks. They bought 25 masks at $1,000 a piece and when they came onboard, the union, the Fire Department could not accept them. They were not safe. They tried to send them back to the company after a few months, that they had bought them from. The company had gone out of business. So another company is trying to do something about it, but for a year, these masks are 1-hour masks which is needed especially for Metro tunnel fighting or for any big warehouse where you need more than—we have almost extinct, I don't think we have any 15-minute masks anymore.

But if there were a fire today, tonight or next week or next month, in the Metro, in the tunnel, it would have to burn itself out because the firefighters do not have masks that they can go in there. You cannot go in without masks. This has been said by Chief Devine who retired last year. We have 32 engine companies now. One fire broke and he said the day before he left, that we need 50 engine companies and 4 full-time rescue squads. As you know, four of the engine companies are now combined with the rescue squads.

So that one group of firefighters if they call the rescue squad for you, 10 minutes later you need it, there is no one there to take you out, therefore you have to call the station the next closest.

The Financial Management System that you have heard so much about, I want this Senate to know, the committee to know that here it happens to be an authentic runoff as we call them, IMB runoff for March of last year. Page after page has clipped notes by a man who was with General Services for 38 years.

He is licensed in his field. I don't want to get too ID about him. He took the time to go into every one of the offices of their bureau and add these little note clips. They explained to me what that meant. It is no wonder Financial Managment could not come across because when the information was sent from these various offices in the Bureau, like you have an office with 5 employees, I have one with 10, you have one with 2 and you may have 16, the person who sent the information and gave the life insurance amount, the health benefits, the retirement contribution. In some instances many of them known of the salaries. There is hundreds of thousands of dollars of salaries that if you add up all of these little pieces of paper you will find out were not included in the Financial Management System.

The computer only can work with what we, the human beings, feed to it.

In 1976, there was a questionnaire given, voluntarily to the firefighters. They could take it. Here is the booklet with the questions. About 80, 75 or 80 of them, to try to find out why the morale was so low. This was in 1976, why the morale was so low among the firefighters. They took it within 2 days. There were 825 that took it out of a 1,000 or 1,100. Some of them are out of town, on leave, weren't on duty, whatever.

So the evaluation took 11 months. There was no identification on these questionnaires. The only thing was, they wanted to put black and white. Then you sealed it up, put it in an envelope, then checked your name off that you turned it in.

I want you to know that when the evaluation came out, not to my surprise at all, because I had been for several years totaling them, but there are 18 gripes that were listed and explained and elaborated on. But the top three, what is the No. 1? The entire group ranked lack of understanding and support of citizens. Even mentioned the word "hostile" in some cases.

That is a disgrace that the citizens, that they are that far apart from the firefighter. The No. 2 gripe was the lack of manpower. And the No. 3 gripe was the overpowering influence of the City Council in the negative. They said these are the three leading problems of the department, and they are interwoven because the City Council determines the budget, and the money governs the number of employees and the number of firefighters on duty in each shift affects the lack of service and which affects the lack of support from the citizens. When they say lack of services, they shouldn't put that, because no company has been out of service.

But is happening we are spending $2.5 million a year for overtime. Last Saturday we spent $10,710 for 63 firefighters to work overtime. It comes down to four and five in the middle of the week. Then it goes up again. That $2 million can bring back four companies of men and you would still have alittle play of overtime money. But it wouldn't be so hard because the men would be working straight time. We put the four rescue squads back in service. I guess you get the picture.

Mr. LEETH. I do. I wonder, if you could briefly summarize in the next couple of minutes the remainder of the statement and we would be happy to put a more lengthy statement in the record.

Mrs. LYNN. Yes. I know of a couple of organizations that are getting together, but I am asking before they do. I am personally asking for congressional investigation into the District of Columbia Fire Department and its operation. In 1963, we lost our top rating because we couldn't come up to the national standards. Three years later in 1966, we got it back. Why? We got part of it back because we put on 200 men in 3 years. That is what happened back then.

Now, our actual manpower is less than it was then for active duty.

We used surveys. Mr. Natcher, 2 years in a row, about 5 years ago, asked that the Fire Department and the city be evaluated as to the standards and it is really done by insurance companies mainly. The first year we asked, then when we came back the next year, he said I think I asked you folks last year. Have you done it? The chief said "No," he would see the Mayor. The Mayor wrote to New York, they said they weren't doing it any more and suggested some firm. The International Association of Fire Chiefs does perform that service, of fire defense study they call it, to give us the level of protection that is needed in this community.

I would urge the Congress, to urge—remember, fire and police are two things in the Nation's Capital that everybody that comes to this city is expected to be safe and secure. Welfare, things like that, buildings, that is the problem of the citizens within the District and only do they benefit. But the fire and police is something that covers everybody.

So I don't think Congress is stepping out of its role at all to insist that something be done in relation. It is a May Day situation with the Fire Department, very May Day. I would urge that the Chairman D'Amato ask a committee of some nature that we could have input, a group, two or three, that we could come back and discuss the nitty-gritty and on tape and then he can listen to that tape at his leisure.

Mr. LEETH. I appreciate that.

Mrs. LYNN. In closing, before I close, I want to tell you that this subject—I have some papers here of support for the Fire Department I am going to give to you. But I want to tell you that you see this folder sitting up here, there are 11 booklets in here. This is the District of Columbia firefighters selectees. This was produced by OPM with the Federal Government. It took 5 years to prepare the exam that has been the big controversial exam in the media.

This exam was sent to New York to a doctor. Hastings on Hudson is where he lives. He is a psychiatrist, psychologist. He was asked to evaluate this exam. The answer came back last week to the Corporation Counsel's Office. The gentleman in the Corporation Counsel's Office and a gentleman in the District Personnel and Elijia Rogers are supposed to get together next week and take the evaluation that has come from New York and determine what they are going to recommend to the Mayor and the Mayor has got to make the announcement on it. The scuttlebutt has been the expression, culturally biased. But if you could see—what I have given you is, I can't give this to you because it has got too many names in here, but they took high, high-ranking officials of the Fire Department, and also PFC's, over there to OPM time and time again and got in-depth every little nitty-gritty part of the operation of the Fire Department.

You could tell with all of these books that have come out, the two authors, one is a man, one is a gentleman, one is a lady, and they are the ones that are the final. I think they were around 500 questions of which, it is a bank, a question bank of which they draw for the test.

So it is hoped that you will please get quickly onto the Fire Department. It is needed very much. Thank you.

Ms. McCaren, there was another party in our group and of course they were going to speak, I see they didn't get here, speak to the criminal justice system. So we will have to wait for that.

Mr. LEETH. If they would like to submit testimony for the record, we would be happy to receive it.

Ms. MCCAREN. We sent two letters to the Mayor, one requesting that he hire those 23 firefighters, you know, that were hired, and then supposedly letting. No answer. We sent one in May, asking for an investigation or explanation of the hiring process; no answer. This happened under the Washington administration. Apparently it is going on. We haven't sent too many to Mayor Barry. It is going on under this one, too. There is an example of what they mean by being hostile to the citizens.

I have, not only me, but other people, we have asked them formally and informally why such high salaries were paid to administrators in the District of Columbia government. The answer comes back, just, something. We really don't have an answer. But really there should be an investigation. I just don't believe that some young person or persons, not right out of school, but with the several years' experience and all the new technology, all of the new information, couldn't serve in the District of Columbia government at a far lower salary for the experience and prestige of working in the District of Columbia, which many do in Congress, as you know.

We don't, I can't, I just can't imagine that we need to pay that. It is too topheavy on the salary scale. Other people have said this. I don't know what you all can do about it. But you certainly can work around it in some fashion. I mean, if they have to pay $75,000 to one particular administrator, why do you have to pay that when other things like firefighters who are absolutely the breath of the community, they don't have common ordinary things that they need to do their job.

I mean I am just pulling this out of a hat. But I think you get the idea.

Mr. LEETH. We will be happy to take those matters up with Senator D'Amato and other members of the subcommittee at the appropriate time.

Ms. MCCAREN. We hope you will relay it.

Mr. LEETH. I certainly will.

Mrs. LYNN. This organization has sent a message to the Mayor in May. It was signed. Every city council member received it. I am including this in a packet of support. But not only that, they have asked for a fire rating of the city and they have also asked, general review of the fire folks is in order and long overdue. They want an open hearing on this. So they are still waiting for the Mayor 1½ months later.

Thank you.

[CLERK'S NOTE.—The following testimony was not given at the hearing but was subsequently submitted.]

STATEMENT OF HOLLY JOHNSON

Members of the Committee, I am pleased to submit my testimony regarding the level of appropriation for fiscal 1982 for the D.C. public schools. I am president of the Parents and Teachers Association of Simon Elementary School in Washington, D.C., in Anacostia, at 4th and Mississippi Avenue, S.E. I have two children attending Simon: an 8-year-old son in the third grade and a 5-year-old daughter in kindergarten. I am testifying on behalf of our school, the parents, and all of our children to urge that your Committee approve an appropriation of $275 million for the D.C. public schools for fiscal 1982.

We believe that the $248 million budget proposed by the city to Congress is grossly inadequate and that a failure to approve a $275 million budget very likely will have such a severe impact on the school system as a whole and on Simon Elementary School in particular that it will deprive our children of the decent education they deserve. With the expected loss of some $13 million in federal funds, a $248 million budget will amount to a severe cut in the current budget which already is inadequate to meet our needs. I believe a review of the adverse impact of past budget cuts on Simon Elementary School will give some indication of how our children will suffer under a $248 million budget.

Last year, when my son was in the second grade, the average student-teacher ratio in our elementary schools was 26 to 1. This year, the average ratio at Simon is 28 to 1, with certain grades having classes in excess of 30 students. I am deeply concerned that the proposed budget means that the average ratio at Simon will rise to 30 to 1 or worse.

Last year, my children were fortunate to be educated in a school which had the services of a fine assistant principal, who was of great benefit to the students, teachers, and administrative staff of Simon. This year, they have no assistant principal, another direct result of the current level of funding reflecting past budget cuts. It is possible that the proposed budget will mean a further elimination of much needed administrative and special support services for our school.

Simon is located in a fairly old building, but in past years, it has been maintained and repaired in a current fashion. Increasingly, however, critical maintenance and repairs have been deferred because of lack of funds. During the winter, there have been days when our children must wear their coats in the classroom because of the repeated failure of our old boiler which needs to be replaced. Our burglar alarm system is obsolete and almost totally useless. The window guards, many of the classrooms, and the school auditorium are badly in need of painting, and some of the floors should be repaired.

There are also located behind Simon several portable buildings which present a serious security problem, and which need to be removed immediately. The shortage of manpower in the D.C. system resulting from lack of funds has caused serious delays in having these buildings removed. In the meantime, both at our school and at other schools, the continued presence of these buildings has presented a severe hazard. Under the circumstances, the proposed budget will most likely mean a further deferral of these pressing problems.

Last year, my daughter attended a full day pre-kindergarten program at Simon. This year, that same program is offered for only a half a day. The proposed budget may very well mean an elimination of the pre-kindergarten program altogether or a cut-back in the present kindergarten program.

And there are many other problems. We are using textbooks dating from the 1960s which need to be replaced. We need improved security in and around the school. We have equipment which needs to be repaired, and we always are in need of more supplies, which have generally been cut back.

How have all of these factors affected the children of Simon? Simon has managed to keep up with the D.C. system norms in standardized testing. However, as you know, the D.C. system falls increasingly behind the national norms as a child progresses through our schools. By the third grade, an average child is already four months behind the national norms. By the sixth grade, he is one year behind. The only way to turn that trend around is to lower student-teacher ratios, not raise them; to have more support programs and personnel, not less; to locate our children in well-maintained buildings where education can flourish, not to neglect such maintenance.

Compared to children in the surrounding communities and other cities, D.C. school children are already deeply disadvantaged. The $248 million figure will only make them worse off. An appropriation of $275 million for fiscal 1982 is essential as a bare minimum.

Thank you.

CONCLUSION OF HEARINGS

Mr. LEETH. Thank you. That concludes the hearings. The subcommittee will recess and reconvene at the call of the Chair.

[Whereupon, at 5:15 p.m., Thursday, June 11, the hearings were concluded and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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